



**FACTORS AFFECTING EMPLOYEE TURNOVER ON
AYKA ADDIS TEXTILE AND INVESTMENT GROUP
PLC**

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FACTORS AFFECTING EMPLOYEE TURNOVER ON AYKA ADDIS

TEXTILE AND INVESTMENT GROUP PLC

BY

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Declaration

I, SisayMoreda, hereby declare that the thesis entitled factor affecting employee turnover, the Case of Ayka Addis Textile and investment group plc. is my original work prepared under the guidance of my advisor P.Suganda Devi. All information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

SisayMoreda

Signature

Date

Certificate

This is to certify that the thesis prepared by Mr. SisayMoredaGelashe Entitled factors affecting employee turnover on ayka Addis textile and investment group plc. And summited in fulfillment of the requirement for the degree of master of business management complies with the regulation of the university and meats the accepted standards with respect to originality and quality.

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Abstract

This research investigates the factors driving turnover in Ayka Addis textile and investment group plc. The purpose of this study is to investigate the causes of staff turnover, impact of employee turnover on organization performance and Retention mechanism. A Combination of both primary and secondary source of information was used to collect the data. The research used interview and survey question to collect data and purposive sampling techniques, as well as SPSS and excel data analysis techniques used. The targeted population was the educated employees of the factory which consists of a sample size of 195 employees. The study showed detailed discussion of major causes for employees' turnover such as salaries and benefits, work environment, workload and fairness and the relationship of management and supervisor with their subordinates are factors affecting employee's turnover of the factory. Reduced product quality, increased costs of recruiting and training employees, loss of profit and loss of experienced employee were effects on the performance of the factory. The factory tries to do exit interview, giving lunch and transportation facility are among the efforts the factory to reduce the effects of employee turnover. The study revealed that 74% of the participants are not attracted by the salary and benefits and 60% of the respondents disagreed that they were not satisfied with the working environment conditions of the factory. The implication of the study is that, it contributes to the understanding of factors driving turnover in the factory and provides recommendations possibly reduce turnover within the factory hence prepare attractive salary and benefit package, improve the employee employer relationship by participating employees in decision making and develop the training and development opportunity are among the given recommendations.

Key words: Employees, Turnover, Retention, Ayka Addis Textile and investment group plc.

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Acronyms

FDRE Federal Democratic Republic of Ethiopia

HR: Human Resource

IFBM Transactions on Industrial, Finance & Business Management

RJP: Realistic job previews

SPSS: Statistical Package for the Social Sciences

CHAPTER ONE: INTRODUCTION

1.1. Background of the study

Organizations are made with people. When employees decide to leave for other jobs their firms need to find other people to replace them. According to the Hay Group (2014), finding an employee to take another's place can cost more than 12 months' salary, which means that if companies are looking to save money, they need to be able to retain the members of their work force.

Negatively, employee turnover has the potential to reduce the quality of the product. This is usually the case when labour force is reduced and the same amount of work is left for fewer hands to do so. This is find the work too much for the remaining employees and in trying to do more work than they used to do since they usually do not have a choice but to do a poor job. Besides, the effects of turnover are reflected at the time when employee leaves a company because the employee takes with his/her knowledge and experience that which cannot be monetarily measured and that cannot be easily recreated (Achoui and Mansour, 2007).

In professional service organizations where personal relationship established between employees and clients are central to success of the organization, a turnover in excess of ten percent is damaging Tahuna(2008, citing Torrington 2002:212).The constant turnover of employees will bring implications to the remaining employees as there will be disturbance and increased workloads to them (Neog&Barua, 2015). A rate of ten percent and above of employee turnover is high and detrimental to the performance of the factory. Tahuna(2008, citing Torrington 2002:212) shows that turnover in excess of ten percent for a service organization is detrimental and textile

factory can be expected to have an employee turnover of less than ten percent if it is to achieve its strategic goal.

Significant amount of research has been undertaken to understand the major causes of employee's turnover and retention mechanisms that organizations should develop. Some studies indicated that every aspect of organizations is employees because turnover of employee leads to incurring of costs. High turnover has become a problem for both private and governmental organizations. Organizations at all levels, either governmental or non-government extensively invest a huge amount of money for training and development programs. Murthy (2003) stated that "organizations send their employees to different training programs like courses, seminars, and others just to improve the skill of their employees and thereby increase productivity. However, still employees leave their organizations after improving their skills and knowledge".

1.2. Background of Ayka Addis Textile and Investment Group PLC

The Government of the Federal Democratic Republic of Ethiopia (FDRE) has been working diligently to realize a developed and prosperous Ethiopia through its Agricultural Development Led Industrialization Economic Policy. Apart from formulating the policy, the government has also designed various strategies meant to implement the policy. One of the strategies which come at fore front is the Industrial Development Strategy which gives much attention to the textile industry among others. (www.tidi.gov.et).

Ayka Textile was founded in 1988 in Gunesli/Istanbul / Turkey as a ready-made garment manufacturer and exporter. The incorporated Company was built by Turkish Entrepreneurs Yusuf Aydeniz and GurcayKavlakli. The name Ayka comes from the first names of the owners; "AY" from Aydeniz and "KA" from Kavlakli. According to the development of the Garment sector as

well as being on a competitive basis in the world market the company continuously realized new investment opportunities.

To be able to stay competitive on global market and dominate the textile industry in Ethiopia and Africa, a new vertically integrated subsidiary investment in Ethiopia was inaugurated around Alemgena, Addis Ababa and costed 100 million US dollars from the owners and loan from the Development Bank of Ethiopia to set up the plant. The grand opening ceremony of Ayka Addis was on 30 April 2010 and was attended by various ministers and senior government officials.(Likakit bulletin vol. no.5, 2014).

It has four major departments; Spinning Department where bales from different sources are processed to give a yarn of particular count, quality and property; Knitting Department where fabrics of different designs are made by weft knitting process. Dyeing Department where color and different print designs are applied on the fabric and different mechanical finishes are done to give different texture, increase bulkiness and final property of the fabric. And the last department is the Garment where the fabric is changed to cloth.

Ayka Addis is a vertically integrated textile manufacturer, covering Spinning, Knitting, Dyeing and Sewing (Garment) facilities originally located in Turkey. This structure of the company gives it the flexibility to execute orders across a wide range of product requirements and offer a professional and effective service. Now Ayka Addis is the biggest textile factory in Sub-Saharan Africa and has a capacity of 7000 employees and this number is expected to rise up to 10,000 in the coming few years when the company is at its full capacity. (WWW.linkedin.com/company).

The company started working in 2007; prior to its official opening and was not structured like now back then. The first mill to be built was spinning which process cotton and manmade fibers like

Viscose and Polyester. The mill worked with some of the machines from the old AykaTextiles in Turkey and some were new bought form Reiter Company form Germany. The entire installation was made by foreign and local engineers. But the efficiency of the factory was no match for other Textile factories in Ethiopia. The production capacity of the spinning plant is 20tons of yarn per day. It worked for about a year and with the annual income from exportingnormal and Sewing yarn, Knitting mill was built The Knitting mill processes the yarn form the Spinning department to make a Knitted fabric. This was working with some old machines from the original company and some new machinery bought from different countries like China and Italy. The machines include electronic V-bed Flat Knitting machines and Circular bed knitting machines. The plant produces 40 tons of fabric per day. The knitted fabrics were a success and it took it only a year to build a state of the art Dyeing department with the income forms both spinning and knitting departments exported goods.

When the company was officially inaugurated the final Garment Department was finished. This department changes knitted fabrics to cloth and is equipped with the latest machineries to. And now it is a fully functional vertically integrated company with multiple products.

1.3. Statement of the Problem

People are the most valuable asset in production and service industry and the maintenance of stable work-force can sustain the level of quality service experience within the organization. Like absenteeism, turnover is related to job dissatisfaction. Turnover occurs when employees leave an organization and have to be replaced. Unfortunately, many organizations do not focus on the actual cost of turnover. Unless this cost is taken seriously, management may be unaware of the need for action to prevent controllable turnover and may not develop a basis for choosing among alternative programs

designed to reduce turnover. The major causes of employee's turnover were identified through carried out different studies with retentions strategies that organizations should follow by various researchers (Achouiand Mansour, 2007; Rehman, 2012 & Gabriel and Thomas, 2012).According to the results of these researches, turnover causes may vary from countries to countries. Though several studies were addressing the cause of employee turnover in other industries, very little has been done to address the causes of employee turnover in textile industries.

The achievement of Ayka Addis textile & investment group goal requires a greater input of skills and experience of the employee. One of the factors to develop an efficient and effective human resource is the ability of the factory is to retain skilled and experienced employees. To achieve this goal of the factory, human resource is the key for efficient utilization of other resources. Today, high employee turnover has become a problem for both private and governmental organizations. Ayka Addis textile & investment group is one of the victims of high employee turnover.

In talent pools where turnover costs are very high, or where turnover represents a significant risk to the critical resources of the organization (such as when employees possess unique knowledge that cannot be recreated easily), it makes sense to track turnover very closely and with greater precision.

A review of personnel records of the factory shows that a number of employees leave the factory every year and this number is increasing from year to year. For example, in 2015 employees left the factory are 1,764 out of 5,437 total numbers of employees. This accounts for 32.44% of the total workforce of the factory in that year. The figure rose to 2,488 employees out of 5,382 total employees in 2016. This accounts for 46.22% of total workforce of the factory. In 2017 up to 6

months, 626 employees have left the factory. This accounts for 11.87% of the total 5,270 workforce of the factory.

When we see employees who have diploma, degree and above, in 2015 employees left the factory is 125 out of 543 total numbers of employees. This accounts for 23.02% of the total workforce of the factory in that year. The figure decline to 120 employees out of 700 total employees in 2016. This accounts for 17.14% of total workforce of the factory. In 2017 up to 6 months, 62 employees have left the factory. This accounts for 12.32% of the total 503 workforce of the factory.

This excessive turnover creates an unstable workforce and increases personnel costs and organizational ineffectiveness. Direct personnel costs associated to employee turnover include recruitment, selection, replacement and training of new people. The indirect personnel costs include an increased workload, reduced productivity associated with low employee morale, time consume till the new employee acquainted with the new organization culture, system and his new job responsibility (Gustafson, 2002). Another huge cost that might be associated with the employee turnover is the organizational loss of its intellectual capital which will affect heavily its competitor (stovel and bontis, 2002).

Excessive turnover can be expensive and many problem for the organization to increase productivity. It cost the company with increased training time, increased employee selection time, lost work efficiency, and other indirect costs. Different financial expenditure are not for the problem of employee turnover but Lengthy training times, interrupted schedules, additional overtime, mistakes, and not having knowledgeable employees in place are some of the frustrations associated with excessive turnover (Griffeth, et al., 1997). In 2017 up to 6 months, 626 employees have left the factory. This accounts for 11.87% of the total 5,270 workforce of the factory. Hence,

taking in to account the stated high turnover in the company, the paper is designed to examine the factors affecting employee turnover in Ayka Addis Textile factory.

1.4. Research questions

The study focused on answering the following basic research questions:

- i. What are the critical root cause employees of turnovers in Ayka factory that need management attention?
- ii. What are the effects of employee turnover in the factory?
- iii. What retention mechanisms should the factory is currently using?

1.5. Objectives

1.5.1. General Objectives

The overall objective of the study was to critically access, analyze and understanding of factors driving turnover in Ayka Addis textile & investment group with the aim to make recommendations in order to improve the operations and performance of the organization.

1.5.2. Specific Objectives

In order to achieve the overall objective, the study focused on the following

Specific objectives:

- i. To investigate the critical causes of employee turnover in the factory.
- ii. To identify major effects which arise from employee turnover.

- iii. To examine the remedy that of Ayka Addis textile & investment group has taken to overcome the problem.

1.6. Significance of the Study

The study would have the following benefits:

- i. The study has tried to suggest solutions where appropriate to reduce employee turnover for the factory and to provide the necessary contributions to national development in generating hard currencies.
- ii. It lays a ground for other researchers for further investigation on the issue.

1.7. Delimitation of the study

This study focuses on the causes of employee turnover and its impact particularly in textile factory by taking Ayka Addis textile as a case study. Due to the large and investment group a sample number of potential participants in the study population, the population involved in the current study focused only on sample number of population. It assesses the cause of employee turnover and addresses its impacts. Though there are a number of causes turnover which may affect Ayka Addis textile and investment group plc.employees for the purpose of this study only focus on main causes of employee turnover which another researchers identify.

1.8. Limitation of the study

Some of the limitations the researcher faced in this study are the following:

- Lack of respondents' cooperation to fill out the distributed questionnaire and return it on time.

- Due to lack of experience on comprehensive research, the researcher has faced challenges in utilizing data collection, measurement and analysis Techniques.
- Raising funds for the study is the most important hindrance for the research work. The reason is that, money will be spent on typing and printing of the final work. The questionnaires will also be typed and printed; the researcher will have to pay for these to be done.

1.9. Organization of the study

Chapter 1 comprises of the introduction, statement of the problem, research questions, objective, significance of the study, and limitations of the study. Chapter 2 contains the review of related literature and researches related to the problem being investigated. It includes definition of employee turnover, cause and effect of turnover, organizational practice that reduce employee turnover. The methodology and procedures used to gather data for the study is presented in Chapter 3. The results of analysis and findings to emerge from the study are contained in Chapter 4. Chapter 5 contains a summary of the study and findings, conclusions drawn from the findings and recommendations for further study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Today's competitive business world, it is considered to be an important task to manage employee turnover for any organization. Naturally people want diversities in his/her everyday life; seeks for new and challenging jobs and good working environment in job place. To provide these things to the employees in an economic way is very difficult and cumbersome. But it is also crucial for any organization to retain its talented employees. Every organization wished to have high productivity, fewer turnovers and to be profitable. Managing turnover successfully is a must to achieve the above goals (AHM Shamsuzzoha, Md. And RezaulHasanShumon, 2008).

The rate of turnover varies from organization to organization. The levels of turnover also vary from region to region. The highest rates are found where unemployment rate is lower and where it is easy for people to get alternative employment. Sometimes employee turnover benefits organizations positively. This might happen when a poor performer is replaced by a more skilled employee and when a retired employee replaced by a younger one. Employee turnover may be also costly as it requires different cost to take account such as administrative costs of recruitment, cost of covering during the period in which there is a vacancy, training cost for the new employee etc. (AHM Shamsuzzoha, Md. and RezaulHasanShumon, 2008).

Therefore, this chapter reviews literature on employee turnover and covers in detail definitions of employee turnover, causes of employee turnover, impacts of employee turnover on organizational performance, and finally assess ways of reducing employee turnover.

2.2 Definition and Types of Employee Turnover

2.2.1 Definition of Employee Turnover

It must be stated that the concept of employee turnover has been viewed and interpreted by authors differently. According to DeNisi and Griffin (2008:403) **Turnover** occurs when people quit their jobs. Turnover occurs when an employee leaves an organization permanently. Not included as turnover within this definition, therefore, are transfers within an organization and temporary layoffs (Casico and Nambudiri, 2010: 53).

The term employee turnover is often used to describe the in and out of the employee in the organization. However, Rion (2009:8) and Beam (2009) had defined employee turnover as a ratio comparison of the number of employees an organization must replace in a given time period to the average number of total employees.

2.2.2 Types of Turnover

The two general types of turnover are voluntary and involuntary. Voluntary turnover is when the employee chooses to leave for whatever reason. Involuntary turnover is caused by layoffs and similar actions where the decision for an employee to leave is made by the company and not the employee. As a general rule, voluntary turnover is the measure used to discuss and compare employers. It is the type most directly affected by the front line supervisors. Involuntary turnover, caused by layoffs, can be a long-term result of high levels of voluntary turnover.

As explained by (Casico and Nambudiri, 2010:53) turnover can represent both controllable turnover (controllable by the organization) and uncontrollable turnover. Controllable turnover is “voluntary” on the part of the employee, while uncontrollable turnover is “involuntary” (e.g., due to retirement, death, or spouse transfer). Furthermore, turnover may be functional, where the

employee's departure produces a benefit for the organization, or dysfunctional, where the departing employee is someone the organization would like to retain. According to (Stewart and Brown, 2009:248) types of turnover was explained as voluntary turnoveris, in which the employee makes the decision to leave, or involuntary turnoveris, in which the organization terminates the employment relationship.

Yet it is important to manage this turnover as much as possible. High rates of turnover cost the organization a great deal in terms of the expense associated with employee replacement, and such turnover can hurt the organization's reputation as a good place to work (DeNisiand Griffin, 2008:194-195). According to (Stewart and Brown, 2009:248), an employee's departure from an organization can have either positive or negative effects. From the organization's standpoint, the effect depends a great deal on whether the employee is a high or a low performer. Turnover tends to be greatest among high and low performers, employees whose performance is in the middle range are most likely to stay. Having low performers leave can be beneficial, but having high performers leave is undesirable.

A turnover rate is the percentage of employees that a company must replace within a given time period. This rate is a concern to most companies because employee turnover can be a costly expense, especially for lower-paying jobs, which typically have the highest turnover rates.

2.3 Causes of Employee Turnover

Turnover occurs for many different reasons. Sometimes new job attracts employees and pull them to leave the old one. In contrary employee also pushed to leave job due to the dissatisfaction in their present workplace or by domestic circumstances when someone reallocates with their spouse or partner. A poor relationship with the management can be

important reasons for the employees to leave their jobs. It is relatively rare for people to leave jobs in which they are happy even offered by higher salary elsewhere. A lack of proper training and development is also major cause for voluntary turnover (AHM Shamsuzzoha, Md. and RezaulHasanShumon, 2008).

Voluntary employee turnover has been a relevant issue for companies across industries for decades (Barnard, 1938) not only because of the costs involved but also due to other consequences that may come to be because of it, such as loss of productivity, and loss of confidence and trust in leaders. This is why organizations are interested in how to design policies which can integrate employees' needs and expectations, and align them with what the organization expects of them; while at the same time encouraging employees to keep working with them (Batt&Valcour, 2001).

A great amount of work has been done to understand what people want, which is why several sources, including the Hay Group (2014), Taylor (2008), and Fitz-Enz (2009) coincide in the main causes of voluntary employee turnover. Among others, they report that a lack of confidence in the organization and its leadership; little or no room for growth; unfair exchange; no environment for success; lack of worthy authority and/or influence; age; lack of benefits; no challenging responsibilities and no recognition are some of the most important reasons to leave a company. However, because past research has not been able to accurately pinpoint other factors which may be affecting said variables of turnover, this study intends to identify as many factors as possible and study their relationship to turnover.

A starting point is to understand why employees choose to leave. There are four different paths that can lead to decisions to quit. The first path, Quick Decision to Leave begins with some

external event that causes an employee to rethink the employment relationship. The employee might be asked to engage in unethical behavior, for example, or might be denied a promotion. Regardless of what the event is, the result is a highly emotional reaction that leads the employee to quit without much thought.

Like the first path, the second path *Calculated Decision to Leave* also begins with an event that causes an individual to begin thinking about leaving the organization. Here, however, the individual does not make a quick decision. Alternatives are weighed, and the benefits of staying are compared with the benefits of leaving. In the end, a decision to leave the organization occurs only after careful thought. Note, however, that the decision is not influenced by alternative job opportunities. The decision is simply whether to stay or leave.

The third path, *Comparison with Other Alternatives* involves a comparison between the current job and other alternatives. Some external event initiates thoughts about leaving the organization. That event could be a job offer from another firm. Once the event has occurred, the employee begins to look at alternative opportunities. The benefits of jobs with other organizations are carefully compared with the benefits of the current job. A decision to leave becomes a conscious choice between the present job and specific alternatives. This path appears to be the most common course that leads an employee to leave an organization.

In the final path, *Sense of Dissatisfaction* the employee develops a general sense of dissatisfaction with the job overtime. This sense of dissatisfaction leads to either a calculated decision to leave or a search and comparison with other job opportunities. This path is different from the other paths in that no specific event can be identified as causing the employee to begin thinking about quitting (Stewart and Brown, 2009:250-251).

Turnover basically arises from the unhappiness from job place for individual employee. According to (DeNisi and Griffin, 2008:195) a major cause for turnover is job dissatisfaction, or being unhappy with one's job. It is a major cause of voluntary turnover. Thus, the simplest view of the employee turnover process would suggest that, if we increase job satisfaction, we will decrease turnover. Human resource manager plays a major role in ensuring that employees remain reasonably satisfied with their jobs. It is also the role of human resources to help reduce turnover and retain valued employees.

Employees often make an overall assessment of their job satisfaction, but job satisfaction can also be divided into different dimensions, as shown in table below. An employee who is satisfied with one aspect of the job may not be satisfied with others. Someone may have high satisfaction in the area of job fulfillment because he enjoys the work he does, for instance, but have little satisfaction with how much pay he receives. Also, not every aspect of job satisfaction is equally important to every employee. Some people may value empowerment more than security, whereas others will place greater value on security. These different values and perceptions mean that job satisfaction represents a complicated mix of feelings. Nevertheless, satisfaction with compensation is often the dimension that is most strongly related to overall perceptions of job satisfactions (Stewart and Brown, 2009:252).

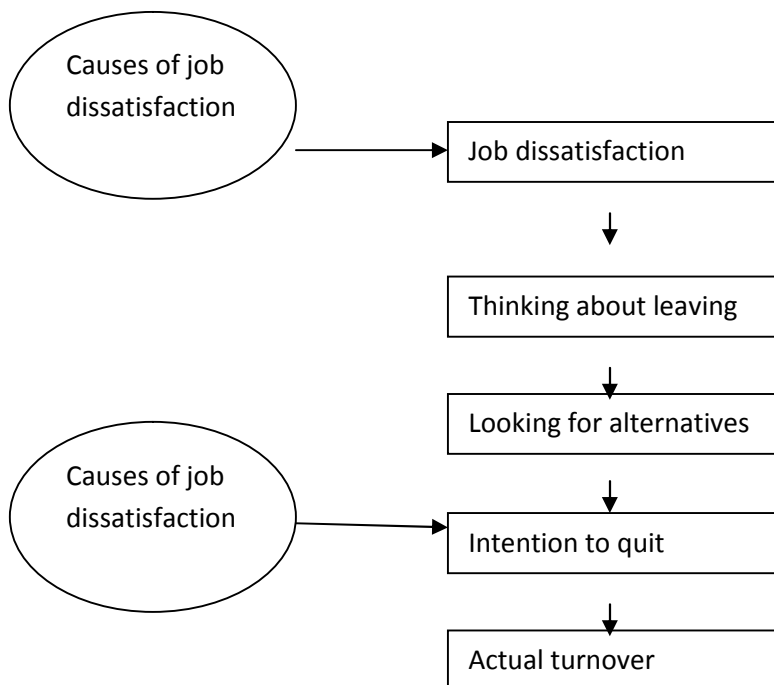
Table 2.1: Dimensions of Job Satisfaction

Dimension	Examples
Satisfaction with empowerment	. Involvement in decisions -Information from management
Satisfaction with job fulfillment	. Sense of personal accomplishment -Good use of skills and abilities
Satisfaction with pay	. Pay relative to others . . Pay for type of job
Satisfaction with work group	. Quality of work done by group -Cooperation among people
Satisfaction with security	. Good job security . . Good total benefits program
Satisfaction with work facilitation	. Company efforts to make competitive changes -Conditions for employees to be productive

Source: Stewart and Brown, 2009 Human resource management

Overall job satisfaction varies among organizations as well as among individuals. On average, some organizations have happier employees than other organizations. Those with happier employees tend to be more productive. Yet even organizations with high overall levels of job satisfaction have individual employees who are not happy with their jobs (Stewart and Brown, 2009:253).

Fig.2.1 Model of the Turnover Process



Source: Stewart and Brown, 2009 Human resource management Turnover Process

Other models have proposed similar mechanisms but have also suggested that job dissatisfaction must reach a critical level before anything happens and, at that point, it may be too late to do anything. In other words, this approach suggests that, as levels of job dissatisfaction increase, there is little change in the employee's intentions to leave. Those levels of job dissatisfaction finally reach a critical level, however, and the intention to leave becomes so strong that the employee is almost guaranteed to leave (DeNisi and Griffin, 2008:196-197).

But as explained in (AHM Shamsuzzoha, Md. And Rezaul Hasan Shumon, 2008) being unhappy in a job is not the only reason why people leave one organization for another. If the skills that they possess are in demand, they may be lured away by higher pay, better benefits or better job growth potential. That's why it is important to know and recognize the difference between employees who leave the job because they are unhappy and those who leave for other reasons. In

addition to those causes discussed above, there are number of factors that contribute to employee turnover.

2.3.1 Pay and Benefits

Pay is something given in exchange for services rendered in an organization. It has an important role in retaining and rewarding high quality employees but at the expense of the overall labor costs for any organization. Also, by binding pay with performance, an employer can monitor and control specific activities and level of performance. Sourcing specific talents for a niche job can be overcome by recruiting talents across the globe. Conversely, employees need to prove their worth in order to stay longer with the organization by providing quality work or else run the risk of getting terminated. Pay has a strong determination to job satisfaction. There are two categories of pay linked with job satisfaction; one is satisfaction with pay by itself and the other, the prospects of financial rewards in the future for a job performed well. There is a longstanding interest of two items which are correlated with job satisfaction. In order to achieve higher productivity, the influence of pay and job satisfaction as a denominator cannot be over emphasized (Anantha Raj A. and Arokiasomy, 2013).

As explained by (DeNisi and Griffin, 2008:198) perhaps not surprisingly an employee's level of satisfaction on the job is affected by the extent to which the employee is satisfied with pay and benefits. In general, higher levels of pay and more attractive benefits tend to result in greater satisfaction. Managing compensation (the set of rewards that organizations provide to individuals in return for their willingness to perform various jobs and tasks within the organization) and benefits (the various rewards, incentives, and other items of value that an organization provides to its employees beyond wages, salaries, and other forms of financial compensation) are important activities for any organization (DeNisi and Griffin, 2008:283).

The prospect of getting higher pay elsewhere is one of the most obvious contributors to turnover. This practice can be regularly observed at all levels of the economic ladder, from executives and generously paid professionals in high-stress positions to entry-level workers in relatively undemanding jobs. However, there is considerable evidence that money is often not the root causes of turnover, even when it is a factor in an employee's decision to quit. Rather, some experts believe that high turnover persists in certain jobs and organizations because they have an atmosphere in which employees look for reasons to leave, and money is a convenient and sometimes compelling justification.

In one survey, for example, more than half of the respondents didn't even list pay in the top three reasons they believed people quit their jobs. Indeed, there is a whole school of thought that claims pay is not a direct determinant of job satisfaction. According to (DeNisi and Griffin, 2008:199) an important factor in determining satisfaction with an outcome such as pay is what other people are making, and not just anyone, but other employees who are at similar levels in the organization.

In fact, the models of distributive justice suggest that we compare our pay with another "comparison person." We note not only what each of us makes but also what we make relative to what we contribute. Contributions might include years on the job, education, performance, or some combination of these and other factors. We assess our own contributions relative to what we are paid. And we compare the ratio of contribution to pay to the contributions that our comparison person makes relative to his or her pay. Note that we are making all the judgments, and the judgments may be incorrect. Nonetheless, if our input/outcome ratio (the ratio of

contribution to pay) is the same (or better) than the comparison person's ratio, we will be satisfied with our pay. If our ratio is not high, then we will be dissatisfied.

2.3.2 Nature of the Work

Some jobs are intrinsically more attractive than others. A job's attractiveness will be affected by many characteristics, including its repetitiveness, challenges, danger, perceived importance and capacity to elicit a sense of accomplishment (AHM Shamsuzzoha, Md. and RezaulHasanShumon, 2008).

DeNisiandGriffin (2008:198) explained that one of the most important sources of dissatisfaction on the job is the nature of the work that a person does. For example, a consistent relationship exists between job complexity (and job challenging) and job satisfaction such that employees with more complex and challenging jobs are more satisfied.

2.3.3 Personality of the Employee

In addition to the factors listed above, there are also factors specific to the individual that can influence turnover rates. These include both personal and trait-based factors. Personal factors include things such as changes in family situation, a desire to learn a new skill or trade or an unsolicited job offer. In addition to these personal factors, there are also trait-based or personality features that are associated with turnover (AHM Shamsuzzoha, Md. and RezaulHasanShumon, 2008).

As explained in (DeNisiandGriffin, 2008:194) employees who we would like to retain take matters into their own hands and make their own decisions to leave the organizations. Employees might decide to leave perhaps because of a better offer, a spouse's job, or a sick parent.

DeNisi and Griffin (2008:197-198) have proposed a similar but less radical approach, suggesting that some individuals are simply disposed toward being satisfied, while others are disposed toward being dissatisfied. Thus, they argue that individuals differ in their tendencies to be happy and unhappy and, although conditions on the job play a role, these tendencies are potentially as important in determining the levels of job dissatisfaction an employee will experience and report. As a result, for some individuals, the organization can do little to make them happy; for other individuals, the organization can do little that will make them unhappy. More typical approaches to job dissatisfaction, however, tend to focus on job-related factors.

2.3.4 Supervisors and Co-workers

Employees need guidance and direction. New employees may need extra help in learning an unfamiliar job. Similarly, the absence of a training program may cause workers to fall behind in their level of performance and feel that their abilities are lacking (AHM Shamsuzzoha, Md. and RezaulHasanShumon, 2008).

Another source (DeNisiand Griffin, 2008:199) explained Supervisors and coworkers represent two additional potential sources of job dissatisfaction. An employee may be satisfied (or dissatisfied) with coworkers for several reasons. An important one is that the employee believes that he or she shares certain values and attitudes with coworkers. This perception that everyone has some shared vision of the world and can work together as a team is an important determinant

of job satisfaction. Clearly, the impression that coworkers don't share values and attitudes can lead to dissatisfaction.

In addition, coworkers can be seen as sources of social support, which can also lead to increased job satisfaction. Employees can also be satisfied with supervisors for many of the same reasons. That is, shared values and social support can be important determinants of satisfaction with a supervisor as well as with a coworker. In addition, an employee can be satisfied (or dissatisfied) with a supervisor's leadership ability. How a supervisor leads (i.e. his or her leadership style) and the effectiveness of the work group are important determinants of satisfaction with the supervisor.

The relationship between managers and employees influences employees' decision to staying a job. Research shows that supervisors and managers have an important impact on employee turnover. The length of time that employees stay in an organization is largely determined by the relationship between employees and their managers. Employees value certain factors about managers. Firstly, employees desire managers who know and understand them and who treat them justly. Employees also prefer managers who can be trusted. If employees feel that their managers are fair, reasonable and supportive, levels of job satisfaction increase. Secondly, if the manager shows interest in the well-being of employees and is supportive and sensitive towards employees emotionally, employee job satisfaction increases. Furthermore, autonomy is valued by employees and decreases turnover (AnanthaRaj A. and Arokiasomy, 2013).

2.3.5 Demography

Empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers (AHM Shamsuzzoha, Md. And

RezaulHasanShumon, 2008).some turnover is demographically specific, particularly for women who are balancing significant work and family duties at the same time. Such women (or men) may choose to leave an organization instead of sacrificing their other interests and responsibilities in order to make the job work out. Some women elect to quit their jobs at childbirth, rather than simply taking a maternity leave. Women's perceptions of their career paths might also be tainted by their awareness of the glass ceiling, which may lower their level of commitment to any particular organization, since they believe they are not in contention for top-level jobs. These factors translate into higher turnover rates for women in many organizations.

2.3.6 A bad match between the employee's skills and the job

Employees who are placed in jobs that are too difficult for them or whose skills are underutilized may become discouraged and quit the job (AHM Shamsuzzoha, Md. and RezaulHasanShumon, 2008).

According to (Anantha Raj A.andArokiasomy, 2013), the process of selecting is about the fit between the applicant and the job. Levels of job satisfaction will increase if there is a good fit between the applicant's personality and the job. It is important that there is a good fit between what the applicant wants and what the institution needs. According to the conducted research "Almost half of the employees who voluntarily quit their jobs within a year cited a wrong fit as the reason to leave." Therefore, a mismatch between what employees want and what employees get can only be solved through turnover or a transfer which can be costly as it probably involves staff training. Candidates who accept a position in an organization and who cannot marry their value system with that of the organization usually do not stay long or they are not productive. This source argued that "a happy worker is a productive worker".

2.3.7 Working Environment (Working Condition)

If working conditions are substandard or the workplace lacks important facilities such as proper lighting, furniture, restrooms and other health and safety provisions, employees will not be willing to put up with the inconvenience for long time (AHM Shamsuzzoha, Md. and RezaulHasanShumon, 2008).

2.3.8 Lack of Opportunity for Advancement or Growth

As explained in (AHM Shamsuzzoha, Md. And RezaulHasanShumon, 2008) if the job is basically a dead-end proposition, this should be explained before hiring so as not to mislead the employee. The job should be described precisely, without raising false hopes for growth and advancement in the position.

In general terms reward programs come within the overall concept of compensation strategies which are defined as the “deliberate utilization of the pay systems as an essential integrating mechanism through which the efforts of various sub-units or individuals are directed towards the achievement of an organization’s strategic objectives”. All businesses use pay, promotion, bonuses or other types of rewards to encourage high levels of performance. Lack of promotion and mundane work task significantly contributed to employees’ intention to leave an organization. By adopting “job enrichment” programs, many employers were able to retain employees and provide better career advancement opportunities. Besides promotion opportunities, changing the selection and evaluation criteria used to rate promotion and reward systems also had a positive effect on intentions of employees leaving the organization. Ineffective performance appraisal and planning systems contributed to employees' perceptions of unfairness and they were more likely to consider leaving the organization (Anantha Raj A. and Arokiasomy, 2013).

2.3.9 Feelings of not being appreciated

Since employees generally want to do a good job, it follows that they also want to be appreciated and recognized for their works. Even the most seasoned employee needs to be told what he or she is doing right once in a while (AHM Shamsuzzoha, Md. And Rezaul Hasan Shumon, 2008).

2.3.10 Alternative Employment Opportunity

According to (Anantha Raj A. and Arokiasomy, 2013) perceived alternative employment opportunity, also known as perceived ease of movement, is the perception of the availability of job alternatives. This perception is an uncontrollable factor because it is closely associated with the external environment, such as availability of job vacancies and unemployment rate. An early study, revealed the significant relationship between availability of jobs and voluntary turnover. Numerous studies acknowledged that the perception triggers the turnover intention. In addition to the market condition, educational background may affect the perception too. Workforce with higher educational background perceived more employment opportunities. Higher educated workforce may consider their qualification as a competitive advantage over less educated workforce by having more choices of alternative positions.

In addition to the above (DeNisi and Griffin, 2008:196) explained as the economy and the labor market play a role. It has been noted that the prevailing unemployment rate is as big a factor in whether or not a person leaves a job as is the level of dissatisfaction. Clearly, this explanation makes a great deal of sense. Even if an employee is extremely dissatisfied, he or she is not likely to quit without real prospects of finding another job. Here, the process begins with factors leading to job dissatisfaction. Job dissatisfaction causes the employee to begin thinking about quitting, which leads to a search for alternatives. Only if those alternatives look better does the employee decide that he or she will quit. It is best to stop the turnover before the employee

begins searching for alternatives because he or she might find an alternative that is more attractive. Once an employee begins searching for alternatives, it may still be possible to retain the employee by convincing him or her that the present job really is better than the alternatives. In fact, the search for alternatives sometimes leads to increased satisfaction on the present job after the employee discovers that the alternatives were not as positive as once believed.

2.3.11 Work Stress

Work stress experienced at particular types of jobs can also create turnover. Considerable evidence suggests that job dissatisfaction imposes a different type of cost on an organization. According to (DeNis and Griffin, 2008:201) job dissatisfaction has been found to be strongly linked to stress, job burnout (the condition of physical, emotional, and mental exhaustion), and (through the first two processes) employee health. Thus, happier workers are healthier workers. Dissatisfied employees are more likely to be absent for health reasons.

In addition to the above factors, a shock- an event that can be either positive or negative but is so profound that it causes the employee to think about the organization, the job, and how he or she fits with both. This concept begins with shock and not with job dissatisfaction. In fact, the dissatisfaction occurs only because the employee started thinking about the job in response to the shock. The decision to leave is largely based on the perception that the employee does not really fit with the company- that is, the present job in the present company is not consistent with the image the employee has of him- or herself. In some cases, the employee will leave without even considering alternatives. The concept includes other aspects cognitive processing, but the shocks include events such as winning the lottery or losing a loved one, as well as job- related events such as missing a promotion or receiving an offer from another company. This concept has

interesting implications for understanding how difficult it is to manage the turnover process (DeNisi and Griffin, 2008:197).

Although the above concept was originally proposed as a way of understanding why people leave their jobs, it can also help understand why others stay. According to (DeNisi and Griffin, 2008:197) the notion of job embeddedness has been proposed as an explanation for why some people stay on their jobs, even when they decide they are unhappy and should leave. Some employees are simply tied too strongly to their jobs to leave. Perhaps they are deeply involved in the neighborhood, or perhaps they cannot sell their houses. Whatever the reason, they feel that they cannot quit. These employees may be quite unhappy, which can cause resulting problems. This state is not always a desirable state.

2.4 Impacts of Employee Turnover

Employees are a primary asset of almost every organization, but identifying, hiring and training good employees can be costly. Replacing an employee who quits costs an organization between one and two times the annual salary of the position. This means, for example, that replacing an accountant with an annual salary of \$75,000 costs the firm between \$75,000 and \$150,000. The company loses money not only from the costs associated with hiring a replacement but also from lower productivity and decreased customer satisfaction. Employee turnover, then, is very expensive for organizations (Stewart and Brown, 2009:244).

According to (Stewart and Brown, 2009:249),when a good employee chooses to leave, the organization usually must identify and hire another worker to fill the position. This process can be highly disruptive. Frequently replacing employees consumes many resources and makes it difficult for organizations to develop a competitive advantage. In general, organizations are thus

more effective when they have programs and practices that proactively work to reduce employee turnover.

DeNisi and Griffin (2008:200) explained that a more subtle form of withdrawal that doesn't involve being away from the job is a reduction of commitment to the organization. Organizational commitment is the degree to which an employee identifies with an organization and is willing to exert effort on behalf of the organization. Employees lacking organizational commitment are excellent candidates for turnover when a workable alternative presents itself. Moreover, dissatisfied employees are less likely to engage in behaviors on the job known broadly as organizational citizenship behaviors, sometimes called contextual performance. Organizational citizenship behaviors include those behaviors that are beneficial to the organization but are not formally required as part of an employee's job. These behaviors include activities such as volunteering to carry out extra tasks, helping and cooperating with others, following rules even when such behavior is inconvenient, and endorsing and supporting organizational goals. Clearly, the organization benefits when employees engage in these types of behavior, and dissatisfied employees who are ready to leave are simply less likely to do so.

Turnover deeply related with the productivity of an organization. Employee turnover can hamper the overall productivity of an organization and is often a symptom of other difficulties. Productivity is the measures of an organization to achieve its targeted production with the means of workforce, authority's strategies, machineries, Equipment's and assets. Authorities must have plans to increase their productivity. Various terms affect productivity Such as incentive scheme, line balancing, scheduling, etc. (AHM Shamsuzzoha, Md. and Rezaul Hasan Shumon, 2008).

According to (Casico and Nambudiri, 2010 : 53) organizations need a practical procedure for measuring and analyzing the costs of employee turnover, especially because top managers view

the costs of hiring, training, and developing employees as investments that must be evaluated just like other corporate resources. The objective in costing human resources is not just to measure the relevant costs, but also to develop methods and programs to reduce the costs of human resources by managing the more controllable aspects of those costs.

The logic of turnover is not equally important everywhere in an organization, and that in talent pools where turnover costs are very high, or where turnover represents a significant risk to the revenues or critical resources of the organization (such as when departing employees take clients with them or when they possess unique knowledge that cannot be re-created easily), it makes sense to track turnover very closely and with greater precision (Casico and Nambudiri, 2010: 53). Casico and Nambudiri (2010: 54 - 56) stated that there are three broad categories of costs in the basic turnover costing model: separation costs, replacement costs, and training costs.

i. Separation Costs

Following are four cost elements in separation costs:

1. Exit interview, including the cost the interviewer's time and the cost of the terminating employee's time.
2. Administrative functions related to termination, for example, removal of the employee from the payroll, termination of benefits, and turn-in of company equipment.
3. Separation pay
4. Increased unemployment tax.

The sum of these four cost elements represents the total separation cost of the Firm.

ii. Replacement Cost

There are eight cost elements associated with replacing employees who leave the organization.

1. Communicating job availability
2. Pre-employment administrative functions, for example, accepting applications and checking references.
3. Entrance interview; or perhaps multiple interviews
4. Staff meetings, to determine if replacements are needed, to recheck job analyses and job specifications, to pool information on candidates, and to reach final hiring decisions.
5. Travel and moving expenses, for example, travel for all applicants and travel plus moving expenses for all new hires.
6. Post-employment acquisition and dissemination of information, for example, all activities associated with in-processing new employees.
7. Medical examinations

The sum of these eight cost elements represents the total cost of replacing those who leave.

iii. Training Costs

These third components of turnover costs include three elements:

1. Informational Literature, for example an employee handbook.

2. Instruction in formal training program
3. Instruction by employee assignment, for example on job training

The sum of these three cost elements represents the total cost of training costs for those who leave.

The Costs of Lost Productivity and Lost Business

Due to Employee turnover, the following costs of lost productivity and lost business will occur:

- The cost of additional overtime to cover the vacancy
- The cost of additional temporary help
- Wages and benefits saved due to the vacancy
- The cost of reduced productivity while the new employee is learning the job
- The cost of lost productive time due to low morale of remaining employees
- The cost of lost customers, sales, and profits due to the departures.

The Total Cost of Turnover

The sum of the three component costs-separation, replacement, and training-represents the total cost of employee turnover for the period. The purpose of measuring turnover costs is to improve management decision making. Once turnover figures are known managers have a sound basis for choosing between current turnover costs and instituting some type of turnover reduction strategy.

2.5 Organizational Practices that Reduce Turnover

According to (Stewart and Brown, 2009:255) organizations pursuing internal labor strategies would prefer to retain employees, especially high-performing ones. Once an employee has decided to quit, it is often too late to do anything to change that individual's mind about leaving. Thus, organizations that want to reduce turnover must work to ensure that employees' needs are being met continuously. Good human resource management practices related to staffing, career planning, training, compensation, and workforce governance can help. The following table provides an overview of practices in each area that have been identified as helping to reduce turnover.

Table: 2.2 Human Resource Practices that Reduce Turnover.

HR Practice	Example of Effective Tactics
Staffing	<ul style="list-style-type: none">- Use realistic job previews-Provide growth and promotion opportunities-Select employees who fit with the organization
Training and development	<ul style="list-style-type: none">-Offer educational programs-Provide sabbaticals and other learning opportunities
Career planning	<ul style="list-style-type: none">-Specify clear career paths
Compensation	<ul style="list-style-type: none">-Maintain competitive pay-Develop fair pay practices-Pay for learning new skills
Labor relations	<ul style="list-style-type: none">-Establish quick and fair grievance procedures-Facilitate conflict resolution among employees

Source :(Stewart and Brown, 2009) human resource management practices that helps in reduction of turnover

2.5.1 Realistic Job Preview

Realistic job previews (RJPs), are pre-employment previews providing accurate and realistic information to the job applicant. According to (DeNisi and Griffin, 2008:202), they are often used with new employees as a means of socializing them in their new job roles, but they are also effective in reducing turnover. The link to turnover reduction is the result of several aspects of RJPs. First, because potential employees who receive RJPs have more complete information about the job (including the nature of the work, supervision, pay, etc.), those who are more likely to be dissatisfied with the job characteristics are less likely to accept the jobs. Therefore, RJPs help ensure that the people on the job are those most likely to be satisfied and thus remain. In addition, when new employees are made aware of potential sources of dissatisfaction prior to encountering them, the employees can prepare themselves (psychologically or even physically) so that, when they encounter the problem, they are ready to deal with it. In fact, when employees learn that they can cope with various problems on the job by preparing, this knowledge can be a source of job satisfaction and thus promote retention.

2.5.2 Recruit Suitable Employees

As stated in (Anantha Raj and A. Arokiasomy, 2013), recruitment is aimed at providing a pool of potential employees from which the organization can select the required number in accordance with job requirements. Therefore, if the organization wants to reduce employee turnover, it has to ensure that the right people for the job are recruited. Recruitment is the process of attracting people who might make a contribution to the particular organization. This source refers attraction as the favorable interaction between potential applicants and the images, values and information about an organization. It appears that attracting employees and motivating them to remain in an organization require workable strategies. The ability to recruit and retain employees with

expertise may be influential on other workers in terms of arriving at decision to stay and in the process help them to positively identify themselves with the organization as a result of the kind of support that they will get from the competent employees. Failure to recruit workers with appropriate competence will doom the firm to failure or, at the very least, to stunted growth.

One way to reduce employee turnover is to avoid hiring people who are likely to quit. According to (Stewart and Brown, 2009:258) it is important to understand what an organization can do to organize people who are likely to stay. Realistic previews provide job applicants with both positive and negative information about the position. A clearer understanding of the job and the organization can help employees better determine whether the position is right for them. Employees who have more realistic expectations about the job are less likely to quit. Furthermore, another method of reducing turnover is to directly assess individual differences related to turnover. Some people have characteristics that make them more likely to quit than others. People who spent less time in their last job are more likely to quit.

2.5.3 Socializing New Employees

Socialization is the process in which a new employee learns about an organization and develops social relationships with other organizational members. According to (Stewart and Brown, 2009:256) efforts to retain employees should begin when they are hired. An important process for new employees is socialization, the process of acquiring the knowledge and behaviors needed to be a member of an organization. Effective socialization occurs when employees are given critical information that helps them understand the organization. Finding out things such as how to process travel reimbursements and whom to ask for guidance helps to make employees to feel welcome in the organization. As employees acquire information during the socialization process, their feelings of fit with the organization increase, and employees who perceive that they fit are

more likely to stay with an organization. A key to effective socialization is the opportunity for new employees to develop social relationships by interacting with coworkers and leaders. Orientations meetings, mentoring programs, and social events are thus important tools for reducing employee turnover. Much of the benefit of these programs comes from interactions with others that build a sense of social support.

2.5.4 Training and Development

It is vital for an organization to create an environment in which important information is freely communicated and in which employees are knowledgeable and perceptive of opportunities for further self-development, various forms of training will logically also be key to an organization's array of business practices (Anantha Raj A. and Arokiasomy, 2013). Training and development has an impact on staff turnover.

2.5.5 Balancing Work and Family Life

As explained in (Anantha Raj A. and Arokiasomy, 2013). Organization should find ways to help employees successfully manage their commitments at home and at work and by doing so many retention problems can be avoided. It is imperative for parents to share responsibility when it comes to the caring for the family, for example, parents may take turns to fetch children from school. The researches have shown that flexible work-schedules lead to greater work-life balance and can offset work stress. Therefore, organizations should be in a position to provide their employees with the opportunity to work flexible hours.

Helping employees balance their work and family responsibilities is a particularly strong method of increasing embeddedness. Employees with family roles that conflict with work roles experience less job satisfaction. In addition, job satisfaction and general life satisfaction are

related, so conflict between work and family roles reduces happiness both on and off the job. Indeed, mental health concerns are greater for people who experience conflict between work and family responsibilities. Organizational policies and programs such as onsite daycare and flexible work scheduling thus increase embeddedness by reducing conflict between work and other aspects of life (Stewart and Brown, 2009:259).

2.5.6 Promoting Employee Embeddedness

Embeddedness is the extent to which an employee is tied to an organization and to the surrounding community. People are more embedded when they have strong connections to others, when they have values and goals that fit with their environment, and when they feel that leaving would result in monetary or psychological losses. People become embedded not only in organizations but also in the communities where they live. People are less likely to leave when they are embedded in either the specific organization or the surrounding community. To promote embeddedness generally, organizations can provide enjoyable work, desirable work schedules, good promotional opportunities, and good benefits, as well as encouraging employees to build positive social relationships with coworkers. Organizations use a number of specific approaches to increase embeddedness. Encouraging employees to work in teams helps develop strong social relationships within the organization. Company-sponsored service projects and athletic teams build similar relationships in the community. To increase the sacrifice associated with leaving, compensation packages can reward employees for continuing with the organization for several years. Providing desirable perks such as tickets to athletic events and company vehicles can also reduce turnover by increasing embeddedness (Stewart and Brown, 2009:259).

2.5.7 Building Perceptions of Organizational support

Another factor that influences employee turnover is perceived organizational support - employees' beliefs about the extent to which an organization values their contribution and cares about their personal well-being. Employees who feel supported by the organization reciprocate with a feeling of obligation toward the organization. Employees who perceive greater support are more committed to sticking with the organization and feel a stronger desire to help the organization succeed. This sense of obligation reduces absenteeism and turnover. In addition to the above, a number of organizational characteristics and practices increase perceptions of organizational support. Actions of organizational leaders are particularly important. Employees feel greater support from the organization and are less likely to quit when they feel that their supervisor cares about them and values their contributions. Better compensation practices, better designed jobs, fairness of procedures, and absence of politics are also critical for building perceptions of organizational support. In the end, businesses that employees view as having fairer human resource practices have higher employee commitment and lower rates of employee turnover. Organizations can therefore, improve employee retention through effective human resource practices related to leadership, work design, compensation, and performance appraisal (Stewart and Brown, 2009:257-258).

2.5.8 Pay Competitive

If you've gone through the trouble of finding great candidates, you want to make sure you can persuade them to come on board and have them stay. Money is not the number one reason people come to a company or leave a company.

2.5.9 Showing Appreciation.

Many employees almost always know when they are doing a job wrong. However, these same employees very rarely ever hear from their employers when they are doing their job right. Encourage your employees by saying kind words to them, and telling how much of a good job they are doing. If you do that, they will be more likely to accept any words of advice on how to improve their work later on.

2.5.10 Do Exit Interviews

As explained in (Stewart and Brown, 2009:255), each employee who leaves has an **exit** interview in which the interviewer tries to determine why the employee decided to quit. Information gained during exit interviews is used to improve organizational procedures and reduce turnover of other employees. Exit interview is face-to-face discussion conducted by an organization to learn why an employee is quitting.

2.5.11 Job Enrichment

According to (DeNisi and Griffin, 2008:202), Job enrichment as a strategy for enhancing performance, has been consistently linked with higher levels of job satisfactions. By making the work more challenging and meaningful, and by granting employees more autonomy and more opportunity to use their skills, the work itself becomes both motivating and satisfying (and more satisfied employees are also more productive). These employees are also more likely to find the work itself more satisfying, which in turn reduces turnover rates.

2.5.12 Assessing Employee Satisfaction

Organizations seeking to reduce employee turnover frequently measure their employees' job satisfaction. Such assessments are done through surveys that ask employees about various facets of their work experience. Generally, employees can fill out the surveys anonymously. A common survey is the Job Descriptive Index, which assesses satisfaction with work tasks themselves, pay, promotions, coworkers, and supervision. According to (Stewart and Brown, 2009:255), research has shown this index to be an accurate indicator of employee perceptions. Along with employees' responses, the organization collects general information about demographic characteristics, work positions, and locations. Results are then analyzed to determine average levels of satisfaction, as well as differences between department and work sites. Analysis provides insights into areas of concern and helps organizations determine which facets of the work experience might need improvement.

Job satisfaction surveys are best when they quickly engage employees by asking interesting questions. Topics expected to be most important to employees should be placed at the beginning of the survey. Routine questions such as length of time worked and department should be placed at the end. The value of employee surveys can also be increased by including items measuring how well the organization is meeting its strategic objectives. One problem with job satisfaction surveys is that the least satisfied employees are not likely to respond to the survey. These employees have already started to withdraw from the organization, so they see little personal benefit in completing the survey. They see things as too negative to fix, and they no longer care about the work environment of the company they are planning to leave. Organizational leaders are thus wise to remember that job satisfaction results will likely make things appear more positive than they really are (Stewart and Brown, 2009:256).

CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This part of the research is about how respondents were selected, how the research was analyzed and incorporating how it was completed. Therefore in this section, the research identifies the procedures and techniques that were used in the collection, processing and analysis of data. Specifically the following subsections are included; research design, sources of data, population and sampling, research instrument (data collection technique) and analysis of data.

3.2 Research Design

This study investigates the factors influencing employee turnover. It adopted a descriptive cross-sectional design. Descriptive research is used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. The technique was appropriate as it involved a careful in depth study and analysis on the effect of employee turnover on the textile factory of Ayka Addis textile & investment group.

Mixed research approaches were employed for this study to generate rich data from multiple sources of both quantitative and qualitative type. Hence, this study used quantitative research methodology for exploring factors for employee turnover. The survey research was conducted through distributed questionnaire to Ayka Addis textile & investment group employees to collect data and the data collected was compared with five-point Likert-scale. The researcher interested to present both employees view and managements attitudes towards employee turnover of the factory.

Qualitative data was also gathered through key informant interview. The research strategy for this study is a cross sectional case study of Ayka Addis textile & investment group where data are collected at one point in time.

3.3 Sources of Data

The study used both primary and secondary data collection methods. Primary data were directly collected from the field through interviews and questionnaires .On the other hand, secondary data were collected through reading different research, journals and staff records from the Human Resources Department of the factory.

3.3.1 Primary Sources.

Primary data is an original data collected for a specific research goal (Hox&Boeijs, 2005). In getting primary data, there are several approaches available to gather data. In order to collect reliable and valid information, the researcher contacted employees and management of the factory. The method used in collecting the primary data was questionnaire & interview.

3.3.1.1 Questionnaire

According to Babbie and Mouton (2001:94) a questionnaire is a set of written questions and or statements to which the research subjects are to respond in order to provide data, which are relevant to a research topic. The main aim of the questionnaire is to find opinions, experiences and perceptions about employee turnover in the factory. A set of questionnaire was prepared with open – ended as well as close ended questions. Structured schedules of questionnaires were distributed to 223 respondents from sampled employees. Questionnaires were used to collect required information and for quicker collection of information. The questionnaires were sent to

select factories and respondents were asked to fill them. The filled questionnaires were collected by the researcher and response to questions sorted, ranked and analyzed.

3.3.1.2 Interview

The researcher used semi structured interviews and a survey questionnaire to generate primary data. According to Welman, Kruger & Mitchell (2005: 194), semi structured interviews can be used to investigate the unit of analysis. Semi structured interviews were conducted with the HR Unit with regard to causes of employee turnover.

3.3.2 Secondary Sources

The study also uses secondary data in collecting information. The sources of the secondary data include books, internet search, articles, and journals among others. This helped to identify how others have defined and measured key concepts, the data sources that of others used and this helped to discover how this research project is related to other studies. Methods used in secondary data collections were computerized database of Human Resource department, Company publications and Human Resource department reports.

3.4 Population Definition

In order to complete this research, target population need to be set. Target population is the specified group of people, events or objects which that the researchers interested with and also sources of information which could help to success the study (Sekaran&Borgue, 2009). The target population of this study would be 503, employees of Ayka Addis textile & investment group who work under the different department which have diploma and above educational status where the factory is operating currently. The employees of the factory include categories

of employees who are hired by the factory under different department but it doesn't include the temporary employees.

3.5 Sampling Technique

There are a total of 503 permanent which have diploma and above educational status employees in the factory. According to Israel Glain (2012) sample selection method with a probability of 95 % free error a total of 223 samples are drawn from the total population by using the following formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, and e is the level of precision.

The researcher used the above sample selection method with a probability of 95% free error from a scholar in the field to make the sample manageable as well as representative. This there by affect the generalizability of the findings but the homogeneity of the population of factory supports the purposive sampling method the researcher employs and make the findings be generalizable to the factory employees.

According to Welman, Kruger & Mitchell (2005: 204), purposive sampling is normally used to select people to be interviewed and to gather valuable information. The researcher uses Purposive sampling to select the participants. Interviews were made for two persons from the management as they have close information with the issue and for three employees those who stayed in the factory for more than six years in order to get enough and reliable information from them.

3.6 Data Collection Instrument

To gather data from the selected samples on the employee turnover of employees in the factory and the researcher used questionnaires that are completed on paper. The researcher employed guided, open-ended interviews as instrument for collecting data. Open -ended interviews allow participants to express their minds and feelings, which give the researcher an opportunity to gain more insight into the investigated issues (Boudah, 2011).

3.7 Data Analysis

The data that was collected through questionnaires was tabulated and analyzed using the Statistical Package for the Social Sciences (SPSS) software package. Data collected from primary and secondary sources were edited, coded and tabulated. These activities were done to ensure accuracy of data, completeness of data, detection of errors and omissions. Summarizing and rearranging of data into meaningful groups was done to see the meaningful relationships within the data. Here different Graphical Analysis was used for the study to arrive at a clear conclusion.

Data collected from interview, questionnaire, and documentary sources were presented using various statistical tools such as tables. The reason of using these approaches is to simplify the interpretation and understanding of the findings which is an important quality of any good research work.

3.8 Reliability and Validity of Data Instrument

The validity of a scale refers to the degree to which it measures what it is supposed to measure. Cronbach's alpha is a measure of reliability. Reliability refers to the consistency or dependability of a measuring instrument. It is defined as the proportion of the variability in the responses to the

survey which is the result of differences in the respondents. That is, answers to a reliable survey will not differ because respondents have different opinions, not because the survey is confusing nor has multiple interpretations (Tabachnick&Fidell, 2007).

In order to use valid and reliable instruments of data collection the questionnaire was compiled from different reputed sources by making minor modifications to adapt it to the situation under investigation. Based on the result of the pilot test the validity of the questions was checked that needed further explanations and corrected accordingly. The alpha coefficient for each of the instruments is presented in the table below.

Table 3.1 Coefficient of Cronbach's Alpha

Reliability statistics	No. of Items
0.77	27

The Cronbach's Alpha for the total scale and the sub scales are above .7 which means that the scales used in this study are considered reliable.

CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This section of the survey treats how data collected from the respondents are analyzed and presented. The quantitative data are analyzed by using the quantitative methodology. Tables, pie charts and bar charts are used to represent the data collected from respondents. The data collected are analyzed based on the objectives of the research with inferences drawn from the analysis of the data. The reason is to present the results of the research from both semi structured interviews and questionnaire conducted in order to achieve the research objectives.

4.2 Response Rate

Table 4.1 Samples size and response rate on questionnaires

Number of Samples	Percentage of Samples From total Population	Number of Valid Response	Response Rate (%)
223	44	195	87

Source: researchers own computation from primary data sources, 2017

As shown in table 4.1 the response rate of the survey question out of the total of 223 questionnaires 195(87%) was returned while 28(13%) was not returned. This implies that the information obtained is sufficient for its validity.

4.3 Personal Information of the Respondents

The demographic variable of the respondents such as gender, age, education status, length of the year they have stayed in the factory and their marital status was collected and the results presented as follows.

4.3.1 Gender of the Respondents

Table 4.2 Gender of Respondents

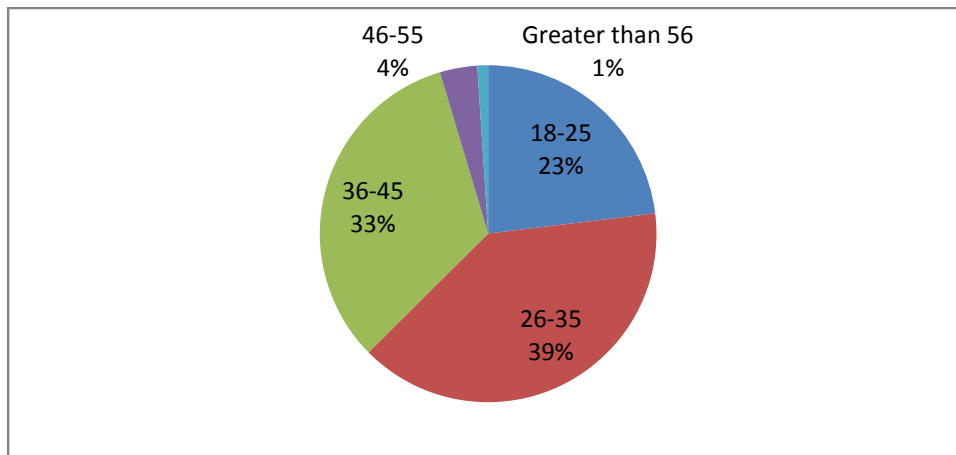
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	113	57.9	57.9	57.9
female	82	42.1	42.1	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

As shown in table 4.2 out of total of 195 respondents, males took the greater percentage of 57.9% and the remaining 42.1% went for the females. This survey was conducted among selected employees in the factory.

4.3.2 Age of the Respondents

Figure 4.1 Ages of Respondents



Source: researchers own computation from primary data sources, 2017

As indicated in figure 4.1, out of 195 respondents 45 or 23.1% is between 18-25 age groups, from the age group of 26-35 there were 39.5% or 77 responses which was maximum number of responses. The third category was 36-45 age group in which there were 64 or 32.8% responses which was the second highest group, from the age group of 46-55 there were 3.6% or 7 responses and the least number of responses were received from 56 and above age group which is 2 or 1% response.

4.3.3 Marital status of respondent

Table 4.3 Marital status of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	77	39.5	39.5	39.5
Married	108	55.4	55.4	94.9
Divorced	10	5.1	5.1	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

As stated table 4.3 above the marital status of the respondents, 77(39.49%) are single, 108(55.38%) are Married and 10(5.13%) are divorced.

4.3.4 Number of years within the organization

Table 4.4Number of years within the organization

	Frequency	Percent	Valid Percent	Cumulative Percent
0-1	30	15.4	15.4	15.4
2-3	39	20.0	20.0	35.4
Valid 4-6	87	44.6	44.6	80.0
Greater than 7	39	20.0	20.0	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

The study sought to establish the length of time which the factory had been in existence in the organization, from the findings 30(15.4 %) of the respondents indicated 0 to 2 years 39(20 %) of the respondents indicated 2 to 3 years 87(44.6%) of the respondents indicated 4 to 6 years whereas 39(20%) of the respondents indicated for more than 7 years this implies that most of the factory had been in existence for 4 to 6 years.

4.3.5 Education Level of the Respondents

Table 4.5Educational Backgrounds of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Diploma	121	62.1	62.1	62.1
First Degree	67	34.4	34.4	96.4
Valid Second Degree	7	3.6	3.6	100.0
Total	195	100.0	100.0	

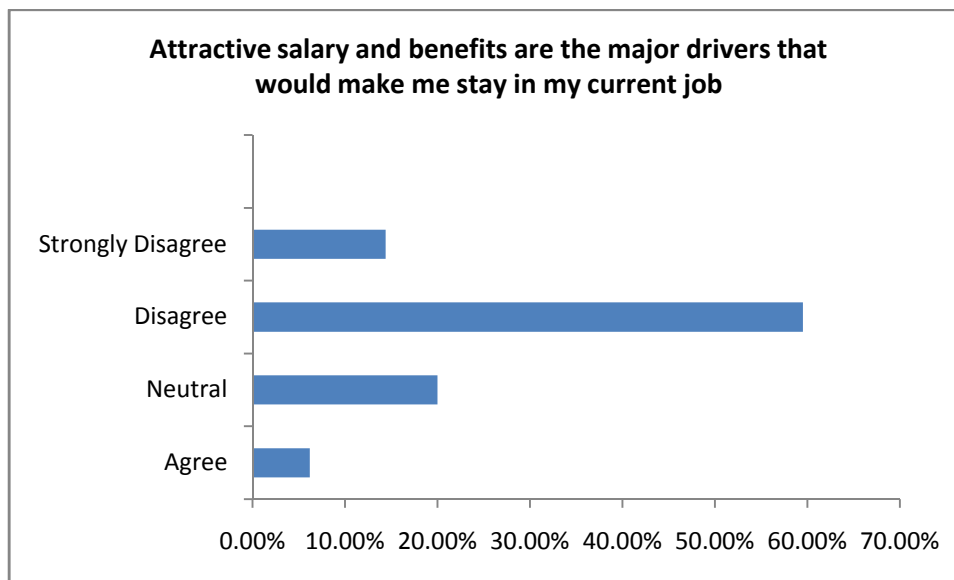
Source: researchers own computation from primary data sources, 2017

As shown in table 4.5, out of 195 employees asked, 121(62.1%) of these respondent attained Diploma education, 67(34.4%) attained first Degree education and only 7(3.6%) attained second degree or masters education. The findings imply that the majority of the respondents asked were able to read and understood the questionnaires used in this study. Respondents were thus able to provide correct answers and that they understood the employee turnover in the factory.

4.4Cause of Employee Turnover

It was assumed that, there were number of causes of employees' turnover in a workplace in Ayka Addis textile & investment group plc. Different questions were used to capture the factors which cause employees turnover in a workplace, whereby each specific respondent was supposed to rate the question if he/she strongly agree, agree, neutral, disagree or strongly disagree about the question. The following part assesses the cause of employee turnover of respondents.

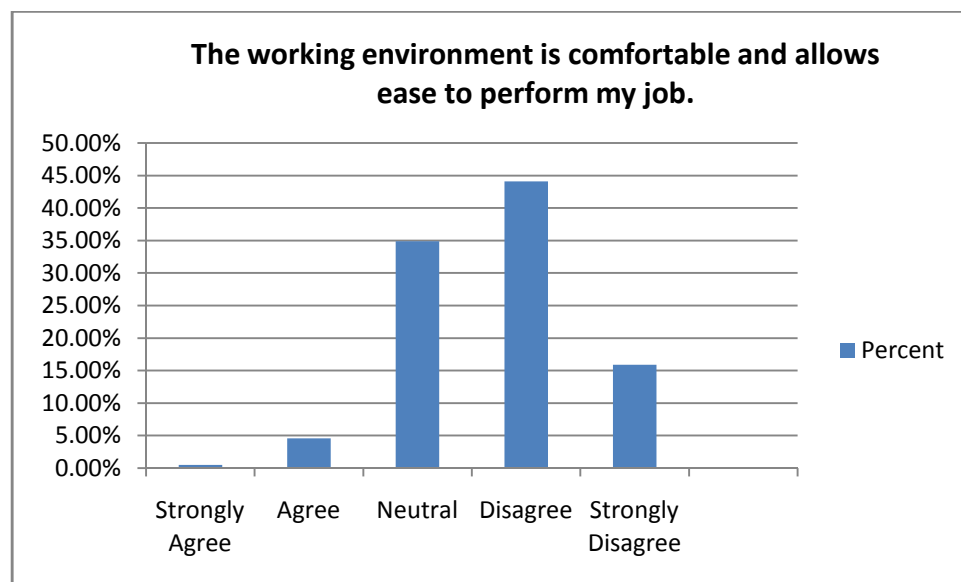
Figure 4.2: Salary and other Benefits satisfaction



Source: researchers own computation from primary data sources, 2017

Results from the question as shown in figure 4.2 suggest that, For the cause of employee turnover question concerning the staff stay due to attractive salary and benefit of the factory 12(6.2%) agree, 39(20%) neutral, 116(59.5%) disagree and 28(14.4%) strongly disagree. From this analysis we can conclude most of the respondents are not satisfied with the salary and benefit of the factory.

Figure 4.3: satisfaction with working environment



Source: researchers own computation from primary data sources, 2017

Figure: 4.3 above highlights that a total of 60% of the respondents disagreed that they were not satisfied with working conditions and 35% of the respondents were neutral. A total of 5% of the respondents agreed. (Crow and Hartman (2007) state that when the work environment is not conducive to the employee's wellbeing and expectations it can contribute to job dissatisfaction and employee turnover. If employees are happy with the current working conditions they will enjoy coming to work every day, but if the working conditions are not conducive they will leave the organization.

Working conditions include the organization of the work such as: working hours, work schedules, work shifts, overtime, daily and weekly rest periods, emergency work, weekend work and holidays to mention just a few (Crow and Hartman (2007)).According to Crow and Hartman (2007), job satisfaction and conditions of work has revealed the need for balance in work schedules to ensure that employees have adequate time for both work and private life in a concept known as work life balance. If the shifts are not well organized and coordinated, they can result in overworking some employees leading to low morale and dissatisfaction.

Table 4.6promotion and growth

Promotion and growth goes to those who most deserve it.

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	5	2.6	2.6	2.6
Neutral	79	40.5	40.5	43.1
Valid Disagree	108	55.4	55.4	98.5
Strongly Disagree	3	1.5	1.5	100.0
Total	195	100.0	100.0	

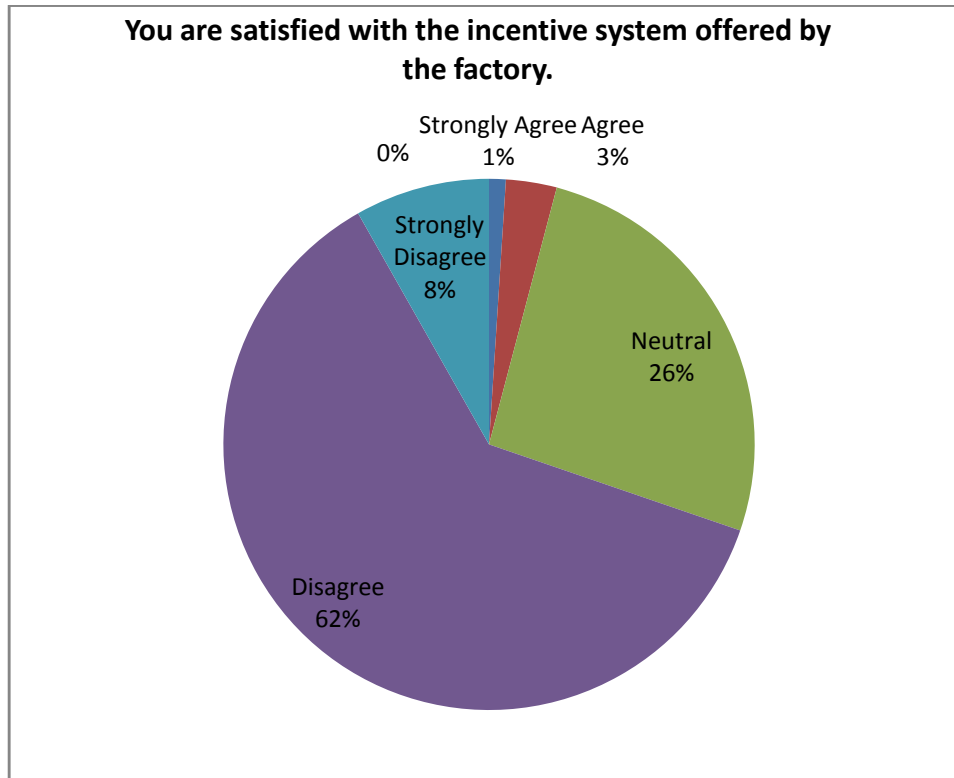
Source: researchers own computation from primary data sources, 2017

For the next question provided to the respondents concerning satisfaction with the promotion and growth of the factory 5(2.6%) agree, 79(40.5%) neutral, 108(55%) disagree and 3(1.5%) strongly disagree. From this result it is possible to conclude that (57%) do not have satisfaction with the promotion and growth of the factory and (40.5%) are neutral to it.

For the question concerning satisfaction from incentive system offered by the factory 2(1%) are strongly agree, 6(3.1%) are agree, 51(26.2%) neutral, 120(61.5%) disagree and 16(8.2%) are

strongly disagree. This can show us that majority of the respondents didn't get satisfaction from incentive system offered by the factory.

Figure 4.4: satisfaction with incentive system



Source: researchers own computation from primary data sources, 2017

For the question concerning satisfaction with the opportunity for training by the factory 3(1.5%) are strongly agree, 28(14.4%) are agree, 17(9%) neutral, 142(72.8%) disagree and 5(2.6%) are strongly disagree. This can show us that 75.4 of respondents are not satisfied and others are satisfied and neutral with the opportunity for training by the factory.

Table 4.7 Employee's Work Relationship

You are satisfied with the relationship among coworkers in the work place in the factory.

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	3	1.5	1.5	1.5
Agree	36	18.5	18.5	20.0
Neutral	63	32.3	32.3	52.3
Disagree	90	46.2	46.2	98.5
Strongly Disagree	3	1.5	1.5	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

As indicated in table 4.7 above, for the statement that satisfied with the relationship among coworkers in the work place, 3(1.5%) of the respondents from existing employee are strongly agreed with the statement and 36 (18.5%) agreed with the statement, 63(32.3%) of respondent neutral, 90(46.2%) disagree and 3(1.5%) strongly disagree with the statement. This mean the aggregate value states that majority or more than 46.7% of respondents disagreed with the statement that the relationship among coworkers in the work place is not good in the factory. Workers absent themselves just to avoid being in contact with a particular individual because they are angry at each other or fearful of each other. AnanthaRaj A. and Arokiasomy, (2013) state that unhealthy competition and lack of team spirit among the employees themselves may cause lowered group cohesiveness leading to staff turnover.

Table 4.8 fair and consistent employee treatment

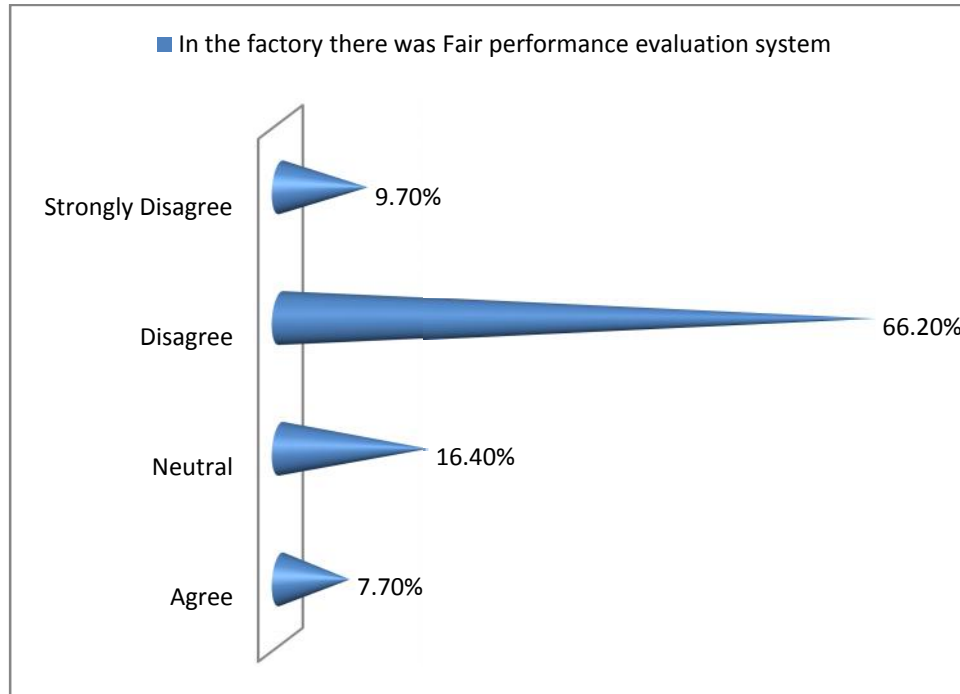
Your supervisor is fair and consistent in treatment of staff.

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly Agree	2	1.0	1.0	1.0
Agree	16	8.2	8.2	9.2
Neutral	17	8.7	8.7	17.9
Valid Disagree	103	52.8	52.8	70.8
Strongly Disagree	57	29.2	29.2	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

For the question provided for the respondents on equal treatment of employees in the factory, 2(1%) of the respondents strongly agree, that there is equal treatments of employees, 16(8.2%) of the employees agree to the question, 17(8.7%) of the employees neutral with equal treatment of employees, 103(52.8%) of the employees disagree with equal treatment of employees, and 57(29.2%) of the employees strongly disagree the question. From this result we can see that majority of the respondents are disagree to the question of equal treatments of employees within the factory. This indicates that there are unequal treatments of employees in the factory.

Figure 4.5: fair performance evaluation



Source: researchers own computation from primary data sources, 2017

For the question concerning performance evaluation in the factory fairness 15(7.7%) are strongly agree, 32(16.4%) neutral, 129(66.2%) disagree and 19(9.7%) strongly disagree. This can show us that majority of the respondents are disagree to the question and the rest are did agree with performance evaluation in the factory performed fairly.

Table 4.9 Recognition for achievement

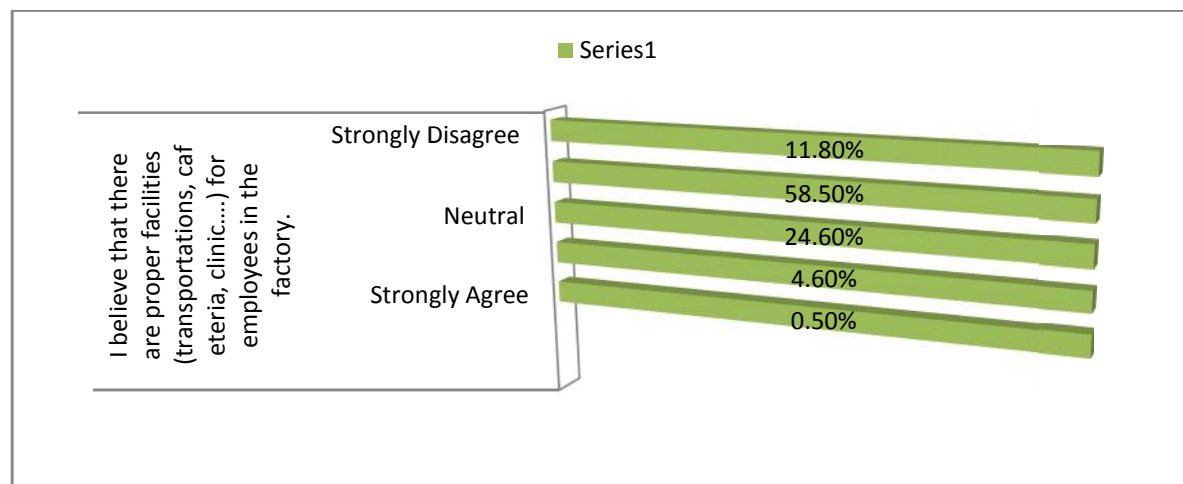
There is recognition for your achievement in the factory.

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	2	1.0	1.0	1.0
Agree	13	6.7	6.7	7.7
Neutral	55	28.2	28.2	35.9
Disagree	117	60.0	60.0	95.9
Strongly Disagree	8	4.1	4.1	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

For the question concerning there is recognition for your achievement in the factory 2(1%) strongly agree, 13(6.7%) agree, 55 (28.2%) neutral, 117(60%) disagree and 8(4.1%) strongly disagree responded to the question. It implies that 64.1% of the respondents are disagreeing and the rest agree and neutral to the question regarding there is recognition for your achievement in the factory.

Figure 4.6: proper facility in the factory



Source: researchers own computation from primary data sources, 2017

For the question concerning there are proper facilities (transportations, cafeteria, clinic....) for employees in the factory1 (0.5%) strongly agree, 9(4.6%) agree, 48(24.6%) neutral, 114(58.5%) disagree and 23(11.8%) strongly disagree. This can show us that some respondents agree and the others didn't agree of the question concerning there are no proper facilities (transportations, cafeteria, clinic....) for employees in the factory.

Table 4.10work too much expect smaller payment

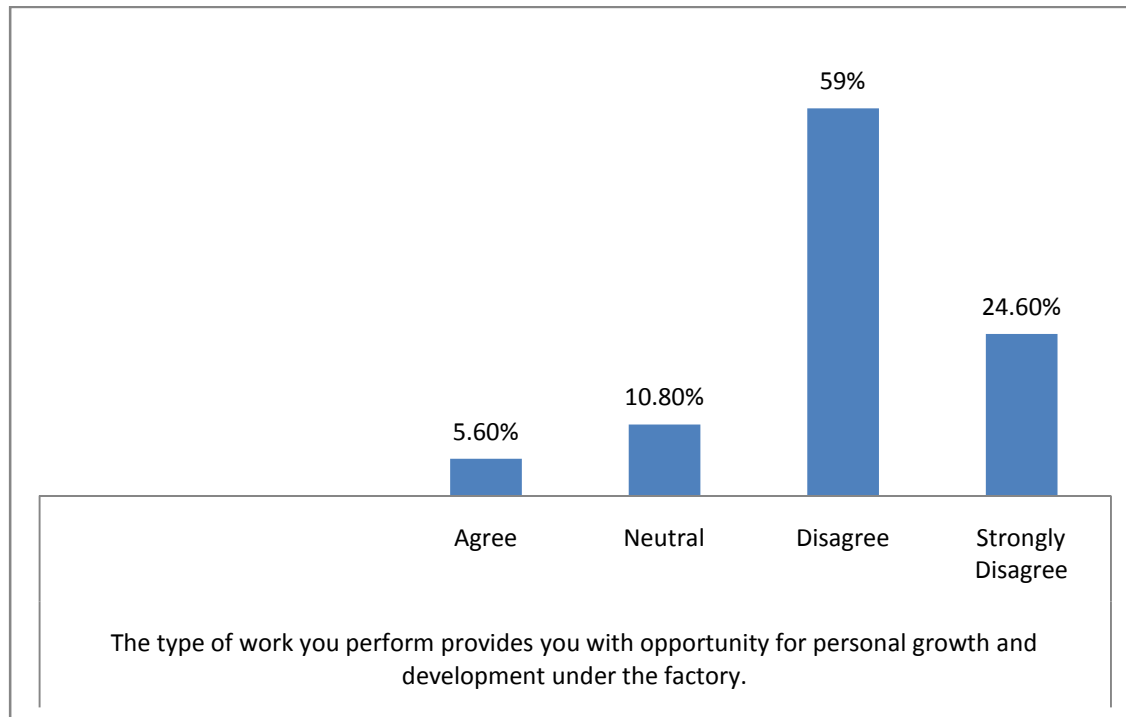
Employees are expected to work too much for smaller pay under the factory.

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	4	2.1	2.1	2.1
Agree	13	6.7	6.7	8.7
Neutral	68	34.9	34.9	43.6
Disagree	91	46.7	46.7	90.3
Strongly Disagree	19	9.7	9.7	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

For the question concerning employees are expected to work too much for smaller pay under the factory 4(2.1%) are strongly agree, 13(6.7%) agree, 68(34.9%) neutral, 91(46.7%) Disagree and 19 (9.7%) strongly disagree. This can show us that majority of the respondents didn't agree concerning they are expected to work too much for smaller pay under the factory.

Figure 4.7: your work provides growth and development

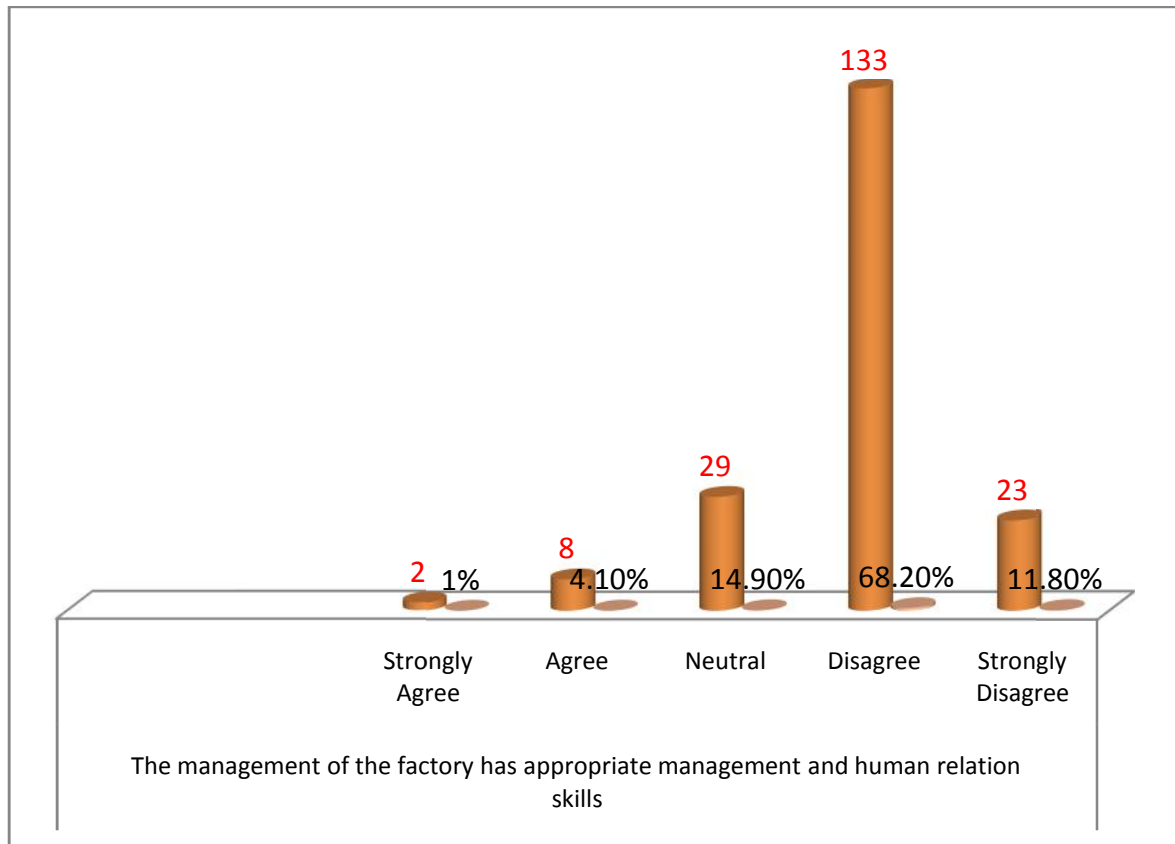


Source: researchers own computation from primary data sources, 2017

For the next question concerning work you perform provides you with opportunity to growth and development 11 (5.6%) agree, 21(10.8%) neutral, 115(59%) disagree and 48(24.6%) strongly disagree. This will lead us respondents are not satisfied from the opportunity to growth and development in the factory.

For the next question that the factory has active programs to upgrade employees' knowledge and skills in the factory 3(1.5%) are strongly agree, 12(6.2%) are agree, 43(22.1%) are neutral, 115(59%) are disagree and 22(11.3%) are strongly disagree. This shows us that majority of employees disagree that the factory has active programs to upgrade employees' knowledge and skills in the factory.

Figure 4.8: management skill



Source: researchers own computation from primary data sources, 2017

For the question concerning management of the factory has appropriate management and human relation skills 2(1%) are strongly agree, 8(4.1%) agree, 29(14.9%) neutral, 133 (68.2%) disagree and 23(11.8%) strongly disagree. The result can show us majority of the respondents are disagree to the question. They do not satisfied appropriate management and human relation skills in the factory.

Table 4.11 work load is reasonable

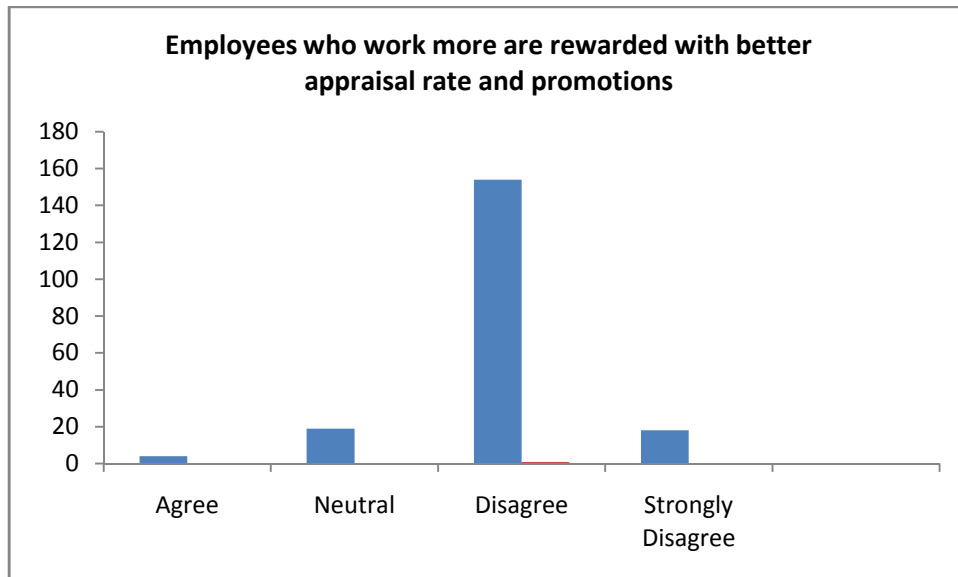
My workload is reasonable

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	2	1.0	1.0	1.0
Neutral	52	26.7	26.7	27.7
Valid Disagree	107	54.9	54.9	82.6
Strongly Disagree	34	17.4	17.4	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

Satisfaction level of employees with current workload determines feelings of employees to stay or leave their current job. In addition to this, organizations ability to achieve its objectives depends on the level of job satisfaction that is obtained from the work. As stated on table 4.11 above, 2(1%) of respondents are agree with the statement, 52(26.7%) neutral, 107(54.9%) disagree, and 34(17.4%) strongly disagree with the statement. The overall value shows that 72.2 % of the respondents are not satisfy with their current work load. This means satisfaction with work load enables to provide quality service and reduces work stress.

Figure 4.9: rewarded and promotion



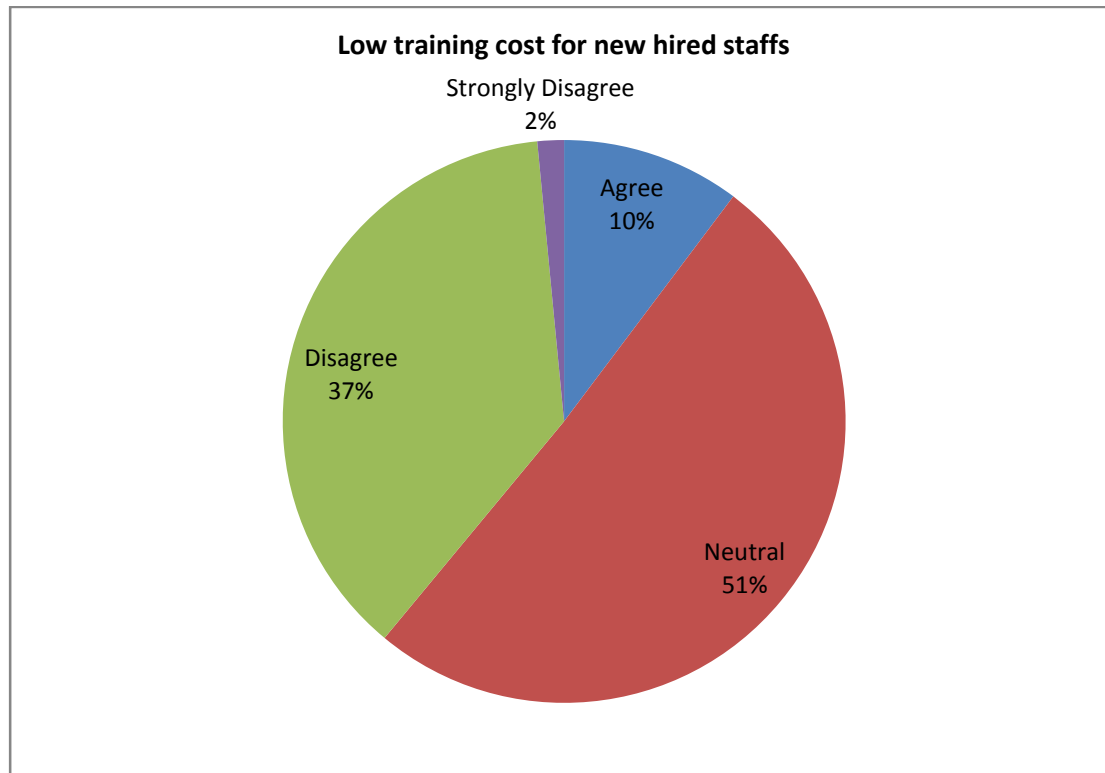
Source: researchers own computation from primary data sources, 2017

For the question concerning Employees who work more are rewarded with better appraisal rate and promotions 4(2.1%) are agree, 19(9.7%) neutral, 154 (79%) disagree and 18(9.2%) strongly disagree. The result can show us majority of the respondents are disagree to the question. They were not satisfied and there were no fair reward and promotion in the factory.

4.5 The Effects of Employee Turnover

To determine the effects of employee turnover, different questions were asked to the respondents. The respondents were asked to rate the level of effects of employee turnover in the factory.

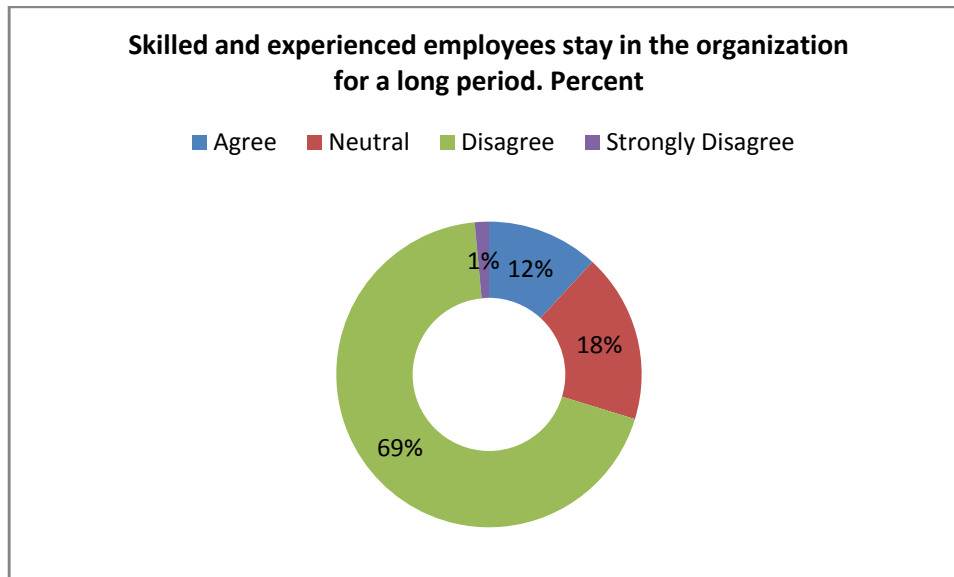
Figure 4.10: training cost



Source: researchers own computation from primary data sources, 2017

For the question provided for the respondents on low training cost for new employees when other leave the factory, 20(10.3%) of the respondents agree, 99(50.8%) of the employees neutral with low training cost, 73(37.4%) of the employees disagree with equal low training cost. From this result we can see that majority of the respondents are neutral to the question of high training cost for new haired employees within the factory. This indicates that the factory didn't give many training to his employees.

Figure 4.11: skilled and experienced employee



Source: researchers own computation from primary data sources, 2017

For the next question that Skilled and experienced employees stay in the organization for a long period, 23(11.8%) are agree, 35(17.9%) are neutral, 134(68.7%) are disagree and 3(1.5%) are agree. This shows us that majority of employees disagree the case so that the factory Loses skilled and experienced employees, whereas tacit knowledge can be lost.

For the question concerning low administration hiring costthe factory incur due to employee turnover 31(15.9%) are agree, 29(14.9%) neutral, 130(68.7%) disagree and 5(2.6%) strongly disagree. This can show us that majority of the respondents disagree and the rest are agree with it. This indicates that the factory exposed for high administration hiring cost.

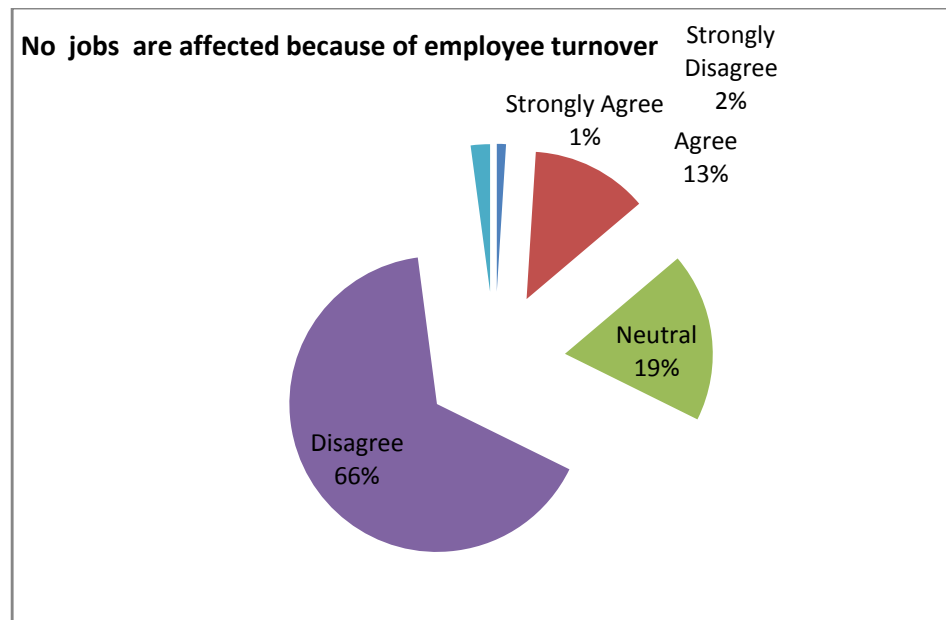
Table 4.12 product quality

Product quality increase				
	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	1	.5	.5	.5
Agree	35	17.9	17.9	18.5
Neutral	29	14.9	14.9	33.3
Disagree	124	63.6	63.6	96.9
Strongly Disagree	6	3.1	3.1	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

Regarding to the statement that product quality increase even if there is employee turnover within the factory, 67% of the respondents gave responses ranging from disagreed and strong disagreed while 18% of the respondents agreed.

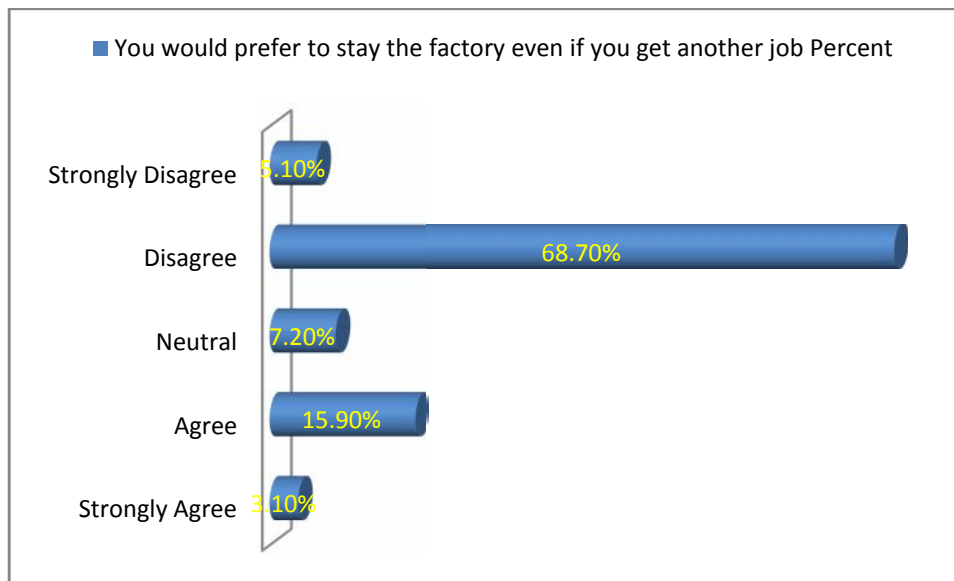
Figure 4.12: jobs affected



Source: researchers own computation from primary data sources, 2017

For the next question that no jobs that are affected because of employee turnover in the factory 2 (1%) are strongly agree, 25(12.8%) are agree, 36(18.5%) are neutral, 128(65.6%) are disagree and 4(2.1%) are strongly disagree. This shows us that majority of employees agree that the jobs that are affected because of employee turnover in the factory.

Figure 4.13: leave if you get job



Source: researchers own computation from primary data sources, 2017

Concerning the question “You would prefer to stay the factory even if you get another job” 6(3.1%) of the respondents strongly agree that they will stay the factory if they get another job, 31(15.9%) of the respondents agree that they will stay, 14(7.2%) of the sample employees are neutral to the question, 134(68.7%) of the respondents are disagree that they will leave the factory if they get another job and 10(5.1%) of the respondents strongly disagree that they will leave. From this analysis we can see that majority of the respondents would easily leave the factory if they get another job.

4.6 Retention mechanism

In order to capture the strategies which were adopted by AYKA administration in retaining its employees, the respondents were asked to rate the level of satisfaction on retention strategies adopted by their employer. The respondents were supposed to rate the question depending on whether he/she strongly agreed, disagreed, neutral, agree or strongly agrees. A table below illustrates the percentage distribution on employee view on effectiveness of retention strategies adopted by Ayka Addis textile & investment group plc.

Table 4.13 treatments of employees

Try to treat all employees especially experienced employees if they want to quit (leave) the factory.

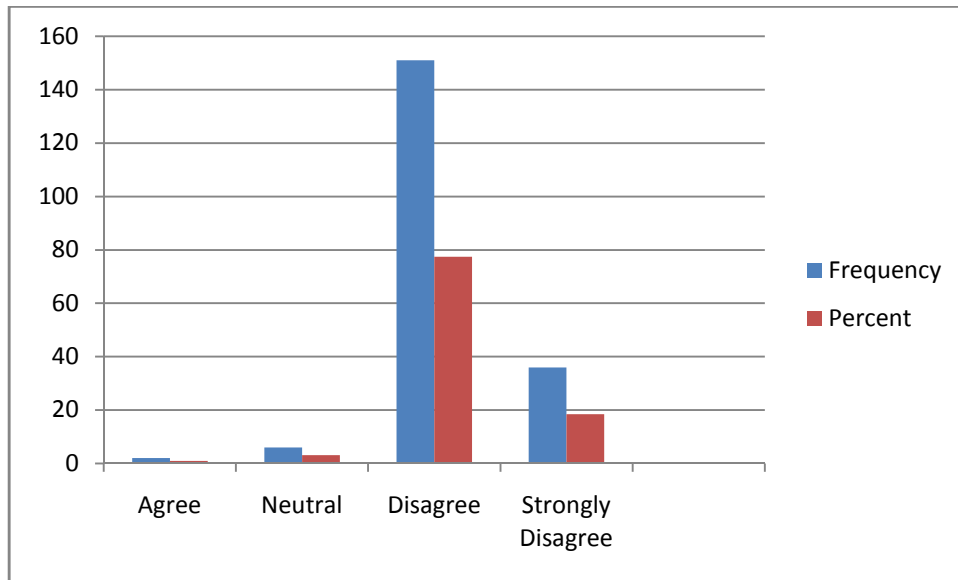
	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	14	7.2	7.2	7.2
Neutral	28	14.4	14.4	21.5
Valid Disagree	140	71.8	71.8	93.3
Strongly Disagree	13	6.7	6.7	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

The study findings from Table 4.13 show that strategies employed by the Ayka to retain employees were: try to treat all employees if they want to quit the factory, 14(7.2%) of the respondents agree, 28(14.4%) of the employees neutral to the question, 140(71.8%) of the employees disagree and 13(6.7%) of the employees strongly disagree. This implies that the Ayka had not put more effort on retaining employees by way of all employees if they want to quit the factory.

Figure 4.14: Financial assistance

Provide access to financial assistance and sufficient salary to staffs



Source: researchers own computation from primary data sources, 2017

As shown on figure 4.14 above, providing access to financial assistance and sufficient salary were also one of the strategies for retaining employees. This view was opposed by 86 % of the respondents.

Table 4.14 training and career development opportunity

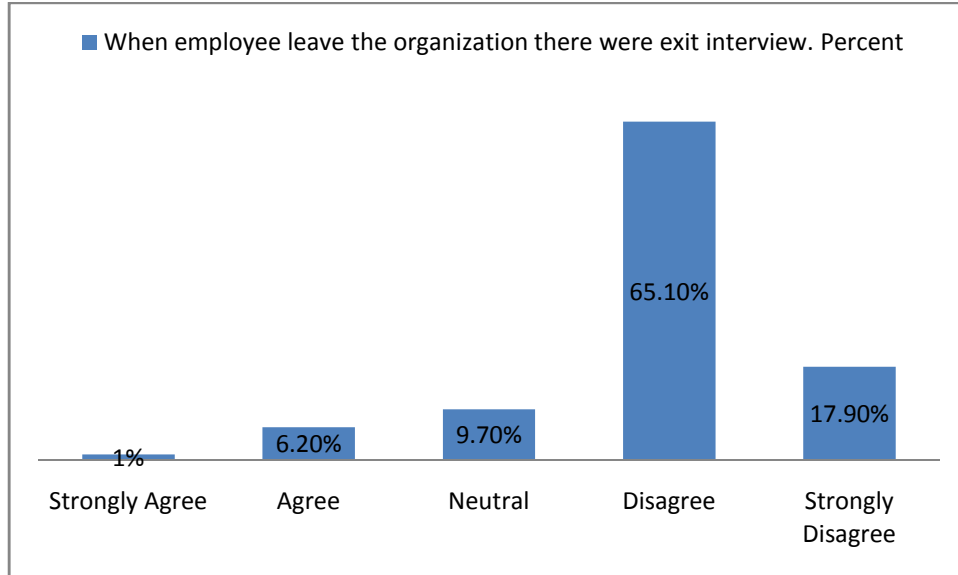
Provide training and career development opportunities

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	1	.5	.5	.5
Agree	9	4.6	4.6	5.1
Neutral	22	11.3	11.3	16.4
Disagree	120	61.5	61.5	77.9
Strongly Disagree	43	22.1	22.1	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources, 2017

Table 4.14 depicts the response of the respondents regarding the provide training and career development opportunities, it is clearly shown that about 83.6% of the employee have who participated in the survey have a disagree the question. This implies that a number of employees know that training and career development opportunities are the good strategies to retain employees but Ayka Addis didn't try to treat as staff in this manner. Involve staff in the decision making was opposed by 65% of the respondents while 7% of the respondents did not support this view and 28% remained neutral. This implies that the factory had put more effort on retaining employees by way of recognizing involvement of staff in the decision making.

Figure 4.15: Exit interview



Source: researchers own computation from primary data sources, 2017

For the last question concerning when employee leave the organization there were exit interview 2(1%) strongly agree, 12(6.2%) agree, 19(9.7%) neutral, 127(65.1%) disagree, 35(17.9%) strongly disagree. This implies that the factory had not put any effort on retaining employees by the way of doing exit interview when they leave the factory. In relation to this on the interview questions the management told to me, started to effectively use the exit interview procedure to identify reasons for employees leaving the organization, but this study noted that some employees were not saying the truth while filling the forms.

It is clear from the above retention mechanism factors that the highest average response rate (expressed in percentage) for all the variables under retention mechanisms of the factory was more than 80% of the respondents disagree the case. This indicates that respondents were not satisfied for all the statements under retention mechanism. Again, the results suggest that depending on the action management takes concerning variables under this factor, the factory

could benefit from giving attention to the statements in this section since workers have not taken a stand on these factors; Management not trying their best to ensure that employees will not want to leave the organization, management not do exit interview when employee leave the factory, new staff not receiving adequate orientation and job training to help settle down, no climate of participation in decision making, the factory not mostly financially supportstaffs and they don't treat staff equally specially experienced employees.

4.7 Discussion of the Findings

When we see open ended questions concerning the causes of employee turnover, respondents mentioned the following reasons:-Almost more than half of the respondents responded that the low salary scale of the factory is a cause for employee turnover and also 70% of the respondents disagree with their leaders and No positive relationship and trust between them and the management.

Concerning impacts of employee turnover on the performance of the factory, 74% of respondents mentioned that the factory losing skilled and experienced employees due to employee turnover. 72.2% of the respondents gave responses that jobs couldn't be completed on time and low work quality regarding to the statement that low organization performance was one of the effects of employee turnover.

Regarding to the retention mechanism of employees, respondents mentioned that 75% of the respondents replied that recognizing best performing employees and give bonus, incentives,giving equal opportunity for employees based on performance, improve management system, making work environment comfortable and increasing salary scale of the employee is one of the best retention mechanism the factory should take.

Appropriate officials from the HR section were selected for interviews because of their involvement in employee turnover practices. The officials selected for the interviews were considered the most knowledgeable in terms of providing more insight with regard to employee turnover. They have responded to the interview questions provided for them and their responses are replied that possible reasons for employee turnover are salary difference in the market, and the working environment of the factory is not suitable for work and also the absence of enough facilities.

As mentioned, the impact of high turnover in the factory includes lead time, product quality decrease, additional cost in recruitment and training of new employees, and loss of experienced and skilled professionals will occur and also the factory doesn't measure cost of employee turnover at all.

There is no such retention mechanism in the factory, but the respondents believe that to retain employees facilities should be fulfilled, long term training and education must be available for young professionals, additional benefits must be available, the factory should create better working environment than the existing one, the factory should revise / review gaps and fill the gaps, and award best performing employees.

During the interview of employees, Most of the employees interviewed responded that salary paying of the factory does not balance the position and experience of employees and many respondents didn't get proper personal safety equipment for their work at workplace and also lack of recognition. Poor recognition methods make employees leave their employer the study noted. The desire for fair recognition and improved status is very essential to everyone regardless of position, age, sex, education and the like. Every employee needs to be recognized by his peers,

supervisors and other people. It is kind of embarrassing when someone's effort is not recognized or appraised Taylor (2008).

Respondents were asked whether they were any efforts made by the management to retain employees. The findings showed that the management had formally try to treat employees who ask to leave but it is not in a clear and comfortable way for example they do exit interview before clearance.

In the review of documentary sources, the researcher found that there is a legal provision issued in the Ethiopia labor law to govern work-life balance. The exiting provisions include, annual leave, the working week is limited. All women are also entitled to 3 months paid leave on the time of child birth. However, the important point to note is, an effective work –life balance strategy is not simply about complying with the law, it is actually finding out about employees 'needs and priorities and considering how they can be met in ways that are consistent with the needs of the business. Employers are increasingly concerned to protect their status and employer's brand. Work-life balance policies are an important way for employers to identify their commitment to quality and social responsibility and care of the staff.

4.8 Correlation

The Pearson's product moment correlation coefficient was computed for the purpose of determining the relationship between cause of employee turnover i.e. Salary and benefit, Working environment and supervisors and coworkers with effect of employee turnover i.e. Loss of experience employee and product quality. Karl Pearson's coefficient of correlation (or simple correlation) is the most widely used method of measuring the degree of relationship between two

variables. It provides an index of the strength, magnitude and direction of the relationship between variables (Tabachnick&Fidell, 2007).

In determining the strength of the relationship based on Tabachnick&Fidell, (2007) the values of the coefficient of correlation between 0 and 1 are interpreted as the following.

$r=.10$ to $.29$ or $r=-.10$ to $-.29$ weak

$r=.30$ to $.49$ or $r=-.30$ to $-.49$ moderate

$r=.50$ to 1.0 or $r=-.50$ to -1.0 strong

Table 4.15 Correlations of the cause of employee turnover

		Your supervisor is fair and consistent in treatment of staff.	Skilled and experienced employees stay in the organization for a long period..
Your supervisor is fair and consistent in treatment of staff.	Pearson Correlation	1	.532**
	Sig. (2-tailed)		.000
	N	195	195
Skilled and experienced employees stay in the organization for a long period.	Pearson Correlation	.532**	1
	Sig. (2-tailed)	.000	
	N	195	195

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS out put

The two variables that Your supervisor is fair and consistent in treatment of staff and Skilled and experienced employees stay in the organization for a long period have a positive correlation signifying that there is a relationship in between the variables and the effect of each variable has a direct effect on the other with 99 % confidence interval since the p value is below 0.01.

Table 4.16 Correlations of the cause of employee turnover

	Attractive salary and benefits are the major drivers that would make me stay in my current job	You would prefer to stay the factory even if you get another job
Attractive salary and benefits are the major drivers that would make me stay in my current job	1	.156*
Pearson Correlation		.030
Sig. (2-tailed)		
N	195	195
You would prefer to stay the factory even if you get another job	.156*	1
Pearson Correlation		.030
Sig. (2-tailed)		
N	195	195

*. Correlation is significant at the 0.05 level (2-tailed).

Source: SPSS out put

The variable of attractive salary and benefits are the major drivers that would make me stay in my current job and you would prefer to stay in the factory even if you get another job have a positive and significant relationship (0.156) with 95% confidence level since the P-value is 0.03 which is below 0.05.

Implication: even though, there is a weak relationship in between the two variables, the respondents relate their salary benefits with their stay in the factory.

Table 4.17 Correlations of the cause of employee turnover.

Control Variables		Attractive salary and benefits are the major drivers that would make me stay in my current job	Try to treat all employees especially experienced employees if they want to quit (leave) the factory.
Attractive salary and benefits	Correlation	1.000	.221
are the major drivers that would	Significance (2-tailed)	.	.002
make me stay in my current job	df	0	192
Try to treat all employees	Correlation	.221	1.000
especially experienced	Significance (2-tailed)	.002	.
employees if they want to quit	df	192	0
(leave) the factory.			

Source: SPSS out put

The variable of attractive salary and benefits are the major drivers that would make me stay in my current job and Try to treat all employees especially experienced employees if they want to quit (leave) the factory have a positive and significant relationship (0.221) with 99% confidence level since the P-value is 0.002 which is below 0.01.

Implication: There is some relationship in between the variables; the participants relate positively their salary benefits with the treatment while leaving the company.

Table 4.18 Correlations of the cause of employee turnover

		Attractive salary and benefits are the major drivers that would make me stay in my current job	The working environment is comfortable and allows ease to perform my job.
Attractive salary and benefits are the major drivers that would make me stay in my current job	Pearson Correlation Sig. (2-tailed) N	1 195	.348** 195
The working environment is comfortable and allows ease to perform my job.	Pearson Correlation Sig. (2-tailed) N	.348** .000 195	1 195

** . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS out put

The two variables that are attractive salary and benefits are the major drivers that would make me stay in my current job and the working environment is comfortable and allows ease to perform my job have a positive correlation signifying that there is a relationship in between the variables and the effect of each variable has a direct effect on the other with 99 % confidence interval since the p value is below 0.01.

CHAPTER FIVE:SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of Major Findings

This section provides results of data analyses and findings of the study which investigate the factors that affect the employee turnover, impact of employee turnover and retention mechanism of Ayka Addis textile & investment group of employees. The analysis and interpretation of the study was done based on the data collected through questionnaire, interviews. Based on the analysis and interpretation made in the previous chapter, the findings of the study on assessments of employee turnover and its impact on organizational performance are summarized as follows:-

Most of the employees interviewed responded that salary paying of the factory does not balance the position and experience of employees. The factory has no recognition and motivation system, reward and incentive system for best performing workers In addition to the above; there is no enough opportunity for employee's personal growth and development.

Management orders what they want to be done as result employees couldn't get chance of using their skills and knowledge on the work. As a result, the skills and knowledge of employees are underutilized.

The factory does not give related training and educational opportunity to empower the employees. Management doesn't trust employees. As a result, management involve in every routine activity rather than focusing on strategic issues

Furthermore, participants replied that the working environment of the factory is not suitable for their work and don't have enough facilities.

4.2 Conclusions

As per the data given and further analysis made for the study, the following conclusions are made.-

Salary paying of the factory does not balance the position and experience of employees. There are workers with the same profession and same experience getting different salary in the factory. The factory has no recognition and motivation system, reward and incentive system for best performing workers. In addition to the above, there is no enough opportunity for employee's personal growth and development. For the available growth and development there is no equal treatment for all employees. As explained by (DeNisi and Griffin, 2008:198) perhaps not surprisingly an employee's level of satisfaction on the job is affected by the extent to which the employee is satisfied with pay and benefits. In general, higher levels of pay and more attractive benefits tend to result in greater satisfaction. Furthermore, In order to achieve higher productivity, the influence of pay and job satisfaction as a denominator cannot be over emphasized.

The working environment of the factory is not suitable for work. As explained by (AHM Shamsuzzoha, Md. And RezaulHasanShumon, 2008), if working conditions are substandard or the workplace lacks important facilities such as proper lighting, furniture, restrooms and other health and safety provisions, employees will not be willing to put up with the inconvenience for long time.

The factory does not arrange related training and educational opportunity to empower the employees. There is no good relationship between management and employees. They don't trust employees. As a result, management involve in every routine activity rather than focusing on

strategic issues. According to (AnanthaRaj A. and Arokiasomy, 2013),if employees feel that their managers are fair, reasonable and supportive, levels of job satisfaction increase. Secondly, if the manager shows interest in the well-being of employees and is supportive and sensitive towards employees emotionally, employee job satisfaction increases. Furthermore, autonomy is valued by employees and decreases turnover.

The factory has no flexible work-schedule that balances work and family life of the employees. Empirical studies have demonstrated that turnover is associated in particular situations with demographic and biographical characteristics of workers. Some turnover is demographically specific, particularly for women who are balancing significant work and family duties at the same time.

Respondents replied that there is exit interview for employees leaving the factory. But since it is made before they take their resignation letter, clearance and other relevant documents it does not give freedom for leaving employees to express their real feelings.

4.3 Recommendations

Based on the results of the study and the observed problems in the factory, the following suggestions are brought forward as these findings suggest several courses of actions for the management to intervene and control the turnover intention of employees which is becoming costly and have impact on the organizational performance of the factory.

- Managers of the factory is better to approach employees at their work place, particularly identify employees with dissatisfied and address issues not to leave their jobs. The higher the participation of employee in the decision making process, the faster for its implementation and employee satisfaction. Hence managers should encourage, employees to participate the decision making process of the organization core programs. Different communication Medias should be established within the factory to improve communication between management and employees and also between coworkers. This creates well informed employees and strong relationships between management and employees.
- The factory is better to set and implement employees retention mechanisms such as training and development opportunity, empowering of employees, appraising employees' performance and recognize and rewarding best performers.
- In recognizing the value of employees in the whole context of human resources management, relevant authorities should consider establishing an effective reward system which is intended to catalyze motivation, commitment, engagement and the development of the employees while observing fairness, equity, consistency, and transparency in operating the system. The reward system should be designed by considering the nature of

the workforce, such as age, sex, level of education, and work experience because these characteristics affect the employees' interests, satisfaction and turnover intentions.

- Fair and clear employee promotion program based on employee's performance and ability increase staff morals. In the meantime it confirms employee trustworthiness to their organization. Thus, employer should demonstrate equal and fair employee handling mechanisms based on their performance evaluation.
- The factory should create better and conducive working environment than the existing one and should always revise / review gaps and fill the gaps as much as possible.
- The factory should properly design the job in a way that can fully utilize workers skills and knowledge. In addition, management of the factory should focus on strategic issue than involving in routine tasks.
- Exit interviews for leaving employees should be made after the employee clear everything so that they can freely express their feelings. The factory should analyze the exit interview results and use for filling the gap for the existing employees.
- Proper duties and responsibilities for each profession should be established to properly assign the right profession on the right position or work.

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Appendix



አዲስ አበባ ሳይንስና ቴክኖሎጂ ዩኒቨርሲቲ Addis Ababa Science & Technology University *University for the Industry*

Dear respondents!

I am a postgraduate student undertaking a Master of Business Administration by Industrial management, from Addis Ababa Science & Technology University. I am carrying out a study on **the Factors affecting Employee Turnover in** Ayka Addis textile and investment group plc. I am using the attached questionnaire to collect information for the study. It is my kind request that you fill the questionnaire, providing the relevant information to facilitate the study. Please use the space provided to fill in the information required as objectively and honestly as possible. The information provided will be treated with strict confidentiality for the purpose of this study only.

Sincerely

SisayMoredaGelashe

Tel:0910801091

Part one: Demographic characteristics of respondents

For the following, Put a tick mark () on your answer, or write your responses in the provided space as appropriate.

1. Gender: ☐ Male ☐ Female
2. Age: ☐ 18 – 25 ☐ 26 – 35 ☐ 36 – 45 ☐ 46 – 55 ☐ > 56
3. Marital Status: ☐ Single ☐ Married ☐ Divorced ☐ Widowed
4. Year of Service in factory: ☐ 0- 1 year. ☐ 2-3 years ☐ 4- 6 years ☐ >7years
5. Educational Background: ☐ Diploma, 10+3
☐ First degree (BA, BSc, BED)
☐ Second Degree (MA, MSC, MED)
☐ Other specify _____
6. Employment category: Professional ☐ Clerical ☐ Other specify _____
7. Your job title: _____
8. What is your working Department/Section _____

Part two: Survey question for respondents

Please read each statement carefully and show the extent of your agreement on the statements by putting a tick () mark in the boxes by using the following rating scale (Likert scale): Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree.

Causes of employee turnover

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Attractive salary and benefits are the major drivers that would make me stay in my current job.					
The working environment is comfortable and allows ease to perform my job.					
Promotion and growth goes to those who most deserve it.					
You are satisfied with the incentive system offered by the factory.					
The Company provides you with adequate training in the techniques necessary for your job.					
You are satisfied with the relationship among coworkers in the work place in the factory.					
Your supervisor is fair and consistent in treatment of staff.					
In the factory there was Fair performance evaluation system.					
There is recognition for your achievement in the					

factory.					
I believe that there are proper facilities (transportations, cafeteria, clinic....) for employees in the factory.					
Employees are expected to work too much for smaller pay under the factory.					
The type of work you perform provides you with opportunity for personal growth and development under the factory.					
The factory has active programs to upgrade employees' knowledge and skills.					
The management of the factory has appropriate management and human relation skills.					
My workload is reasonable.					
Employees who work more are rewarded with better appraisal rate and promotions.					

Effect of employee turn over

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Low training cost for new hired staffs.					
Skilled and experienced employees stay in the organization for a long period.					
Low administrative hiring costs.					
Product quality increase.					

No jobs are affected because of employee turnover.					
You would prefer to stay the factory even if you get another job.					

Retention mechanism

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The factory tray to treat all employees especially experienced employees if they want to quit (leave) the factory.					
Provide access to financial assistance and loans to staffs.					
Provide training and career development opportunities.					
Involve staffs in the decision making.					
When employee leave the organization there was exit interview.					

Part Three: Open Ended Questions:

Please write what you feel about the following points on the space provided.

1. What makes you non comfort at your job now?

2. What does the organization loose as the result of employee turnover?

3. Give at least three possible suggestions to improve your work environment?

Thank you!

Part Four: Interview:

List of interview questions for managerial level:

1. In your opinion, what do you think are the reasons why your coworkers choose to leave this organization?
2. How do you think employee turnover has affected the factory?
3. What measure does the management take to reduce the level of turnover in this organization?
4. Do you make an exit interview when employees resign?

List of interview questions for employees who work more than six years

1. What makes you dissatisfied in your work place?
2. Do you think your organization try to retain his employees? If your answer is yes write down the different mechanism?

Different tables

Table 1 Marital status of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	77	39.5	39.5	39.5
Married	108	55.4	55.4	94.9
Divorced	10	5.1	5.1	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources

Table 2: Length of Service of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
0-1	30	15.4	15.4	15.4
2-3	39	20.0	20.0	35.4
4-6	87	44.6	44.6	80.0
Greater than 7	39	20.0	20.0	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources

Table 3satisfaction with incentive system

You are satisfied with the incentive system offered by the factory.

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	2	1.0	1.0	1.0
Agree	6	3.1	3.1	4.1
Neutral	51	26.2	26.2	30.3
Disagree	120	61.5	61.5	91.8
Strongly Disagree	16	8.2	8.2	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources

Table 4 program tougrade knowledge and skill

The factory has active programs to upgrade employees' knowledge and skills

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	3	1.5	1.5	1.5
Agree	12	6.2	6.2	7.7
Neutral	43	22.1	22.1	29.7
Disagree	115	59.0	59.0	88.7
Strongly Disagree	22	11.3	11.3	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources

Table 5 administrative cost

Low administrative costs

	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	31	15.9	15.9	15.9
Neutral	29	14.9	14.9	30.8
Valid Disagree	130	66.7	66.7	97.4
Strongly Disagree	5	2.6	2.6	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources

Table 6 leave or stay the factory

You would prefer to stay the factory even if you get another job

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	6	3.1	3.1	3.1
Agree	31	15.9	15.9	19.0
Neutral	14	7.2	7.2	26.2
Valid Disagree	134	68.7	68.7	94.9
Strongly Disagree	10	5.1	5.1	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources

Table 7 Exit interview

When employee leave the organization there were exit interview.

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	2	1.0	1.0	1.0
Agree	12	6.2	6.2	7.2
Neutral	19	9.7	9.7	16.9
Disagree	127	65.1	65.1	82.1
Strongly Disagree	35	17.9	17.9	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources

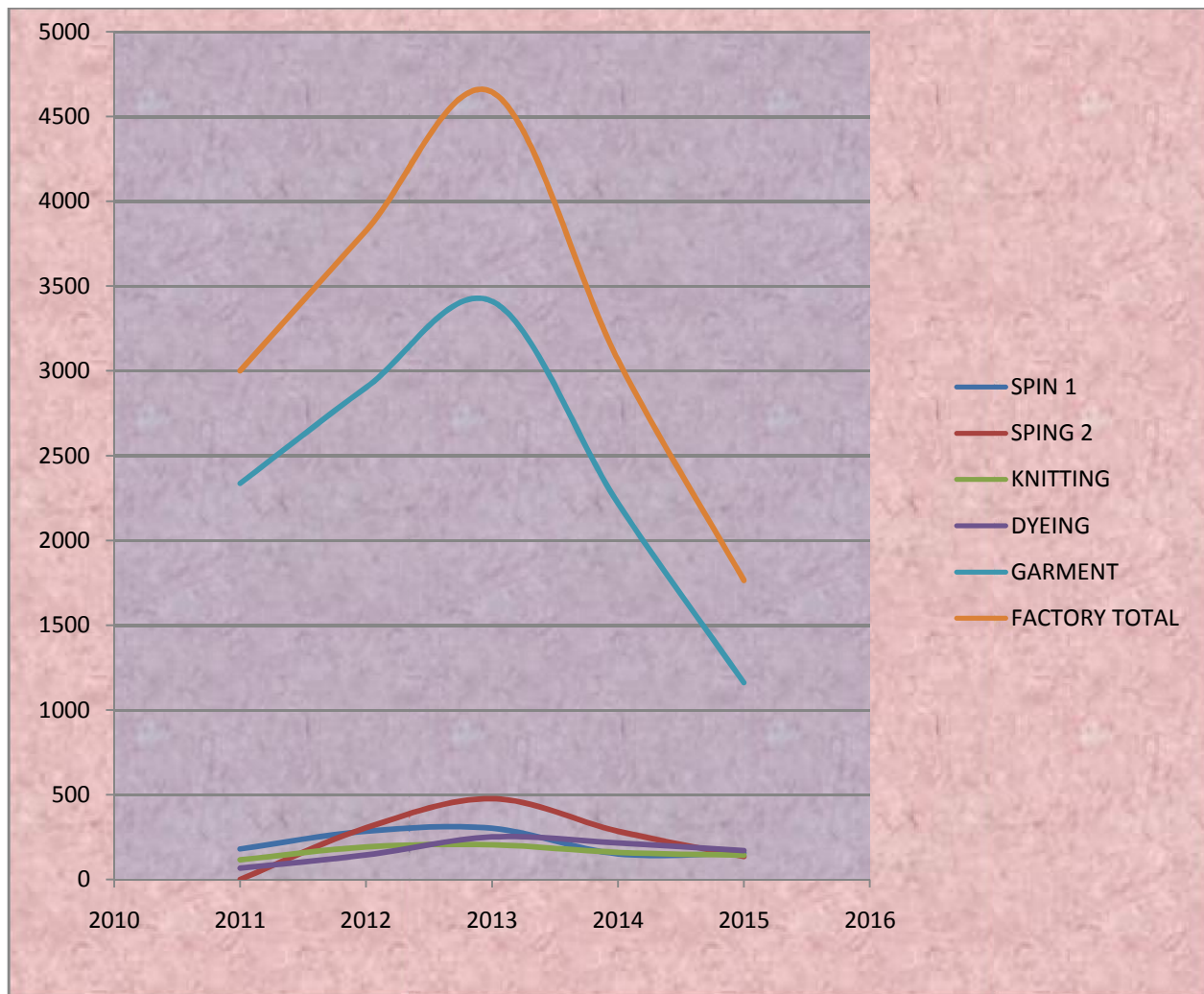
Table 8 Adequate training

The Company provides you with adequate training in the techniques necessary for your job

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	3	1.5	1.5	1.5
Agree	28	14.4	14.4	15.9
Neutral	17	8.7	8.7	24.6
Disagree	142	72.8	72.8	97.4
Strongly Disagree	5	2.6	2.6	100.0
Total	195	100.0	100.0	

Source: researchers own computation from primary data sources

Trends of Staff turnover



SOURCE: Ayka Soft, 2017

YEAR	SPIN 1	SPING 2	KNITTING	DYEING	GARMENT	FACTORY TOTAL TERMINATION
2011	180	0	116	66	2336	2034
2012	285	305	191	144	2902	3827
2013	302	477	204	251	3411	4645
2014	151	285	159	215	2219	3065
2015	156	135	143	170	1160	1764

Staff turnover trend